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4 PUBLIC FORUM

5

6 September 18, 2004

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8 FORT HANCOCK POST THEATER

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14 TRANSCRIPT of the stenographic notes of  
15 the proceedings in the above-entitled matter, as  
16 taken from the cassette tape by SANDRA E. BERKELAND,  
17 a Certified Shorthand Reporter and Notary Public of  
18 the State of New Jersey.

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3                   CONGRESSMAN PALLONE. ...represent the  
4 Sixth Congressional District which includes Sandy  
5 Hook; and I wanted to first of all thank everyone for  
6 coming here today. I guess maybe in a way because  
7 it's not a great day, maybe that encourages more  
8 people to come, so maybe it was good that we didn't  
9 have a sunny day because maybe people wouldn't come  
10 as much.

11                   But I wanted to just give you some idea  
12 about the format. We have a speaker's list for those  
13 who have already signed in and I have about 30 people  
14 here, but Paul Dimen (phonetic) who is in the back  
15 who is my assistant you see walking around has  
16 another sheet out there now. So if there is someone  
17 who is already seated who didn't sign in to be a  
18 speaker and obviously anyone who comes in later, you  
19 can still go in the back there and sign in. It's  
20 just that you'll be, you know, after the people that  
21 have already signed in. We're not closing the  
22 speaker's list.

23                   The other thing I should say is that we  
24 had assumed that we would be here a couple of hours  
25 but we're not going to worry about going beyond that

1 so everyone will have an opportunity to speak, but  
2 given that there are about 30 people already, I think  
3 we're going to have to limit it to five minutes  
4 because that would already take us beyond our two  
5 hours. I will try to limit it to five minutes only  
6 because otherwise we'll be here into the evening

7               The other thing, before I introduce the  
8 people who are up here with me, let me just say that  
9 I think you're pretty much aware of the fact that a  
10 lease for the restoration of Fort Hancock and the  
11 buildings that -- the 36 or so buildings that are  
12 involved in this restoration project, was signed by  
13 the Park Service by Marie Rust who is the regional  
14 director a few months ago.

15              And so although, you know, I would  
16 encourage people to say whatever they want here  
17 today, my main purpose in having this forum today was  
18 to have questions asked of the Park Service  
19 representatives about what they have signed.

20              In other words, there were a number of  
21 hearings, you know, formal hearings by the Park  
22 Service during the whole course when they were  
23 putting out a request for proposal and when they were  
24 considering the Wassel proposal. And if you want to  
25 today, you can say you're for or against it. I'm not

1 going to discourage anybody from saying whether they  
2 are for or against it, but the main purpose today is  
3 not so much to say I'm for or against the proposal  
4 but rather to ask questions of the proposal because  
5 they're already in their minds certainly moving  
6 forward with it. They're not here today to entertain  
7 the idea that they're not going to do it. As far as  
8 their concerned, they have signed the lease and  
9 they're moving forward.

10                   That doesn't mean that those of us  
11 including myself who are opposed to the proposal  
12 shouldn't be able to speak out or those who are for  
13 it shouldn't be able to speak out either. You're  
14 welcome to do that, but I think that it's the most  
15 productive thing if questions are asked, because for  
16 many people, the biggest concern, whether they're for  
17 or against it, is what does it really do.

18                   I think there are a lot of questions  
19 that I have raised and that others have raised about  
20 what the nature of the lease is, what it's actually  
21 going to involve, how long it is and the list goes on  
22 and on. To be perfectly honest, although I don't  
23 like to always quote newspapers, if you look at  
24 yesterday's Asbury Park Press, they actually had an  
25 editorial which I think kind of summed up that

1 purpose of this hearing today. It said, "Time for  
2 answers. This is the first opportunity residents  
3 will have to ask questions about the project since  
4 the Park Service signed a 60-year lease agreement  
5 with a private developer. It's an opportunity anyone  
6 concerned about the fate of Fort Hancock and Sandy  
7 Hook shouldn't miss."

8                   And so -- and I may even in the course  
9 of, you know, if we -- in the course of today's  
10 forum, I may even, gentleman, refer back to the ten  
11 or 15 questions that are asked in this editorial.

12                   Have you seen it? And you have seen it  
13 because in many ways it sort of summarizes a lot of  
14 the questions that I have about the proposal.

15                   Let me start -- I think to be honest  
16 with you, I could probably sit here myself for the  
17 two hours and ask you questions, but I'm going to try  
18 to refrain from doing that and ask the people that  
19 are here and who have come to ask the questions, but  
20 from time to time during the course of the  
21 presentation, I may interrupt or add to the questions  
22 myself because I do want to get some answers.

23                   Now, let me just read this letter by way  
24 of introduction or part of this letter that came from  
25 Marie Rust who is the northeast regional director of

1 the Park Service because she basically provides  
2 information about the two representatives that are  
3 here today from her office.

4                   It says, "Dear Congressman Frank  
5 Pallone, as northeast regional director, this  
6 statement is to assure you that the associate  
7 regional directors, Bob McIntosh and David  
8 Hollenberg, who the National Park Service has sent to  
9 listen to your concerns and answer your questions,  
10 act, I should say, with my full authority."

11                   Let me tell you, Bob is to my right.  
12 This is Bob McIntosh. And David Hollenberg is to his  
13 right and, of course, Richard Wells, the  
14 superintendent, is over here on my left.

15                   Let me read this other paragraph from  
16 Marie Rust because she gives a little background of  
17 these gentleman. She says, "For the northeast  
18 region, Mr. Bob McIntosh is the associate regional  
19 director for planning and partnerships. Mr.  
20 Hollenberg is the associate regional director for  
21 design construction and facility management. Both  
22 are outstanding in their fields.

23                   "Mr. Hollenberg is currently a prominent  
24 lecturer in the graduate program of historic  
25 preservation at the University of Pennsylvania School

1 of Design and is credited with multiple preservation  
2 successes both in the public and private sectors.

3 "Mr. McIntosh formerly served as  
4 regional director Mid Atlantic region and  
5 superintendent of Gateway National Recreation area."

6 I purposely today did not ask them to  
7 make a presentation because the idea is to hear from  
8 all of you and to have you ask questions, but as I  
9 said, please try, if you can, to make your  
10 presentations in the form of questions to them; and I  
11 will, from time to time, interrupt because I may want  
12 to add to the questions that you're asking.

13 Now, the first speaker that we  
14 have -- sure. Go ahead.

15 MR. MC INTOSH: Just before we start, I  
16 wanted to express on the part of our regional  
17 director, Marie Rust and David and I and others in  
18 the regional office, our appreciation for the  
19 Congressman's efforts here.

20 The National Park Service has had  
21 stewardship responsibilities for Sandy Hook for  
22 approximately 30 years. We're very proud of that  
23 fact. We're very proud of the cultural and  
24 recreation resources and natural resources that we  
25 have here.

1                   This undertaking is a big one.  
2   Obviously you all wouldn't be here if it was. We  
3   appreciate, Congressman, your keeping this in the  
4   public eye, keeping the questions focused and helping  
5   us get to the common good that we all look for.  
6   Thank you.

7                   CONGRESSMAN PALLONE: Thank you. And  
8   again, it may not be the best format. Some people  
9   will probably say well why don't we hear what they're  
10   doing first? I'm just afraid we're going to run out  
11   of time. Again, my major focus is to let people have  
12   an opportunity to ask questions.

13                  So we're going to proceed with the  
14   speaker's list and the first person that signed in  
15   was Paul Josephson. Now, could I ask when you get  
16   up, if -- it would be nice to know, you know, what  
17   town you're from and if you represent any group, that  
18   would be helpful as well. Thank you.

19                  MR. JOSEPHSON: Thank you very much  
20   Congressman. I appreciate the opportunity today. My  
21   name is Paul Josephson. I am a resident of  
22   Interlaken here in Monmouth County a few miles down  
23   the beach.

24                  I am also here as counsel to Save Sandy  
25   Hook, an organization that I know is well-known to



1 the Congressman as well as to the Park Service for  
2 expressing their concerns about this proposal; and  
3 I'm here today to offer some comments and I will try  
4 to follow your instructions regarding posing some  
5 pointed questions, but I would ask for a little bit  
6 of liberty to lay out the concern.

7 I'd also like to take the opportunity to  
8 thank the representatives from Ms. Rust's office for  
9 coming today to hear from us and to hear from the  
10 assembled crowd. Obviously the kind of turnout we  
11 have today is indicative of a lot of interest in this  
12 issue.

13 You know, I'm somebody who Park Services  
14 just referenced that the Park Service took this place  
15 over 30 years ago. I remember 30 years ago as a  
16 young boy my grandfather bringing me out here every  
17 weekend to go fishing and the great joy when the  
18 northern end of the tip opened up and suddenly he was  
19 able to bring me up here and go climbing around the  
20 gun batteries; and it was just a great experience as  
21 a young child and an experience that I know I would  
22 like to be able to share with my children going  
23 forward.

24 And I think one of the things that has  
25 been lost in this whole debate, and I realized this

1 last weekend as I came out and just took a look  
2 around and said really what should this place be all  
3 about? We're sitting here talking about a  
4 development proposal for a series of buildings here  
5 to -- that would ultimately, as the lease that has  
6 been released by the Park Service has been drafted  
7 and signed and executed, calls for up to 70 percent  
8 commercial development of various sorts. I'm very  
9 concerned about that.

10                   What's really, when you look through all  
11 the Park Service documents about Fort Hancock, about  
12 Sandy Hook, what is really historically significant  
13 here are the batteries. You go around here, those  
14 are certainly critical parts of the history that,  
15 frankly, are indicative of how this property has been  
16 managed. Unfortunately, the neglect, the  
17 deterioration there is unfortunate. Obviously there  
18 is a similar issue with the buildings here.

19                   And the question we're all faced with is  
20 how do we -- how do we go about carrying out the  
21 public stewardship that the park Service was granted  
22 30 years ago when it was granted this property? I  
23 would submit to really cut to the chase about what  
24 some of the concerns are that I think people in this  
25 audience have is how is it that we have gotten to the

1 point today where the Park Service has not been able  
2 to put the money into a sound management program that  
3 could have avoided the sort of a situation we're in  
4 today where we find ourselves desperate for a lease  
5 with a private developer, desperate for a private  
6 developer to come in with money to fix this place up?

7 I would submit to you the huge concern  
8 from my part is when I look at some of the public  
9 statements that have been made and I look at the  
10 concerns or I look at the statements that the  
11 developers here plan on investing somewhere in the  
12 neighborhood of I have heard 60 million, I have heard  
13 \$75 million over the course of this 60-year lease.

14 Let's cut to the chase. That is a  
15 million dollars a year. That's a million dollars a  
16 year. If the Park Service could make a  
17 million-dollar-a-year commitment, they could do, the  
18 Park Service could do itself and fully control this  
19 property.

20 I think ultimately the concern and the  
21 questions that you're going to get today, I'm not  
22 going to chew up more than my five minutes because I  
23 suspect there is going to be a lot of good, hard  
24 questioning come from the group and the folks out  
25 here, but fundamentally we are looking at a situation

1 where the Park Service is not merely leasing this  
2 property. The Park Service has a lease which also  
3 calls for mortgaging and financing that is going to  
4 create encumbrances on this property.

5 We're not simply leasing this property  
6 for 60 years. We are encumbering this property for  
7 60 years.

8 That takes me to my main point and I  
9 think where the Park Service has really failed the  
10 public in this process and in its stewardship of this  
11 property and that is to be open and forthright -- to  
12 be open and forthright with the public about what is  
13 the nature of this deal? The end of the day, what  
14 are the finances?

15 We have a lease. However, to date, five  
16 years after requesting proposals, to date, the Park  
17 Service is still unwilling to release the financial  
18 terms and the financial projections on which the  
19 Wassel proposal is based.

20 I would submit to you at the point that  
21 the Park Service has now signed a lease, signed a  
22 lease, it owes it to the public, it owes it to the  
23 Congressman to talk about and to explain fully and to  
24 release the documents and to release the financial  
25 information.

1                   CONGRESSMAN PALLONE: Paul, I'm going to  
2 have to interrupt you. What is it that you want them  
3 to answer though? Do you have a specific question?

4                   MR. JOSEPHSON: I think since specific  
5 questions are, part of the Park Service mandate is  
6 that they must receive fair market value for the  
7 property out here. As we all know, property in this  
8 area typically goes for 15 to \$25 a square foot.

9                   CONGRESSMAN PALLONE: Just ask a  
10 question.

11                  MR. JOSEPHSON: The question that I have  
12 is how and on what does the Park Service base its  
13 conclusion that there is -- that they are receiving  
14 fair market value when all they are getting is a  
15 \$1.65 a square foot which is its cost of running this  
16 facility and a nebulous percentage rent term that  
17 doesn't even arise until five or ten years in the  
18 future? We would like to see that analysis.

19                  CONGRESSMAN PALLONE: Why don't you  
20 answer that. Let me say another thing, I appreciate  
21 the fact that when speakers get up and they say nice  
22 things about you guys or maybe somebody will say  
23 something nice about me, but for the purpose of  
24 trying to keep it short, you don't have to say  
25 anything nice about anybody. If you could just get

1 up and ask questions. All right? Go ahead. Or bad  
2 I guess.

3 MR. MC INTOSH: To go to an earlier  
4 comment first, I think you make the translation  
5 between the so-called cost of the development and the  
6 million dollars a year. The problem with that  
7 approach is that if we wait for 50, 60 years to get  
8 to the last 50 to 60 million dollars, the  
9 deterioration of resource is going to be accelerated.

10 So, the approach that we took was to  
11 find a way, exploring appropriated dollars or other  
12 dollars as to how we might find -- might be able to  
13 find a way to front end that investment and obviously  
14 that is where we're at.

15 When the lease was signed, information,  
16 albeit some redacted, but information was released  
17 relative to the finances, but I think the major point  
18 that you missed in your statement is that there is  
19 the so-called rent fees and so on, but what you  
20 didn't mention shouldn't be the investment in the  
21 property can be considered in lieu of the lease.

22 When the finances -- when financial  
23 arrangements are finalized, that information will be  
24 forthcoming approximately at the end of the calendar  
25 year.

1                   CONGRESSMAN PALLONE: All right. Thanks  
2 a lot. I know we have to limit everybody.

3                   MR. JOSEPHSON: Thank you very much,  
4 Congressman. I would just add I do think that the  
5 public should not have to wait until after -- excuse  
6 me, after all the financing is approved to review  
7 that information. Now is our time to get this right  
8 and you have an obligation to demonstrate to the  
9 public that this deal is right and it makes sense and  
10 it's not a folly. Right now the Park Service has  
11 done nothing to give the public that assurance.

12                   Thank you very much, Congressman.

13                   CONGRESSMAN PALLONE: Thanks a lot Paul.

14                   Again, I know -- I'm not going to stop  
15 people from making statements, but I would prefer if  
16 we ask questions. This is really, as the Asbury Park  
17 Press said, the first opportunity we have had, you  
18 know, since the lease was signed to actually ask some  
19 questions.

20                   So the next person I have is Judy  
21 Stanley Coleman.

22                   You just reminded me of two things. One  
23 is that we are recording this. It is a matter of  
24 record. I don't know who it is going to be sent to.  
25 Everybody should know we are transcribing or

1 recording it so officially your statement is  
2 available for the public.

3 Secondly, Paul took 12 minutes. We have  
4 to limit ourselves if we're ever going to get through  
5 this.

6 Thank you. Mrs. Stanley.

7 MRS. COLEMAN: Can you open the doors so  
8 we have light? It's a little hard. Anyway I am  
9 president of Save Sandy Hook. I'm also president of  
10 Middletown Township Planning Board which is where  
11 this board is located. I'm president of Monmouth  
12 Conservation Foundation and I'm president of the  
13 Monmouth Historical Association. I wear a lot of  
14 hats in saving a lot of things. I have my own  
15 questions. I'll try to be very fast.

16 I am a conservationist but also have  
17 raised funds, as I said, for preservation. But when  
18 faced with a private public partnership for these  
19 many acres that would lead the way to  
20 commercialization. I just can't go there. It scares  
21 me to death.

22 I was born and raised in Monmouth  
23 County. I have seen more beautiful farms on the  
24 Jersey Shore itself all but destroyed.

25 We live in the most crowded area of the



1 United States; the northeast; the Gateway region as  
2 you know. Look at our once beautiful Arts Center.  
3 It went into private public partnership and now it is  
4 just run a muck with beer and kids racing all over  
5 and it's just not the same that it was. There is a  
6 private public partnership that has not succeeded at  
7 all.

8                   If all 36 buildings are to be filled  
9 with people, this is a question, will our national  
10 park look the same way it does now, today, surrounded  
11 by cars, by trucks, people, traffic? How can you  
12 estimate the number of cars and trucks when you don't  
13 know what is going into these buildings? I can't  
14 figure your that out.

15                   Will the general public be able to view  
16 this historical site or will they have to pay to go  
17 into an inn or pay to go to a bed and breakfast or  
18 pay to go some place?

19                   We were told that the project would be  
20 anywhere there 60 to 90. Now we have heard 75  
21 million today. Why is it now broken down into phases  
22 and the first phase I understand is between nine and  
23 \$12 million?

24                   How can we believe it will all be not  
25 for profits or small nifty non-commercial ventures?

1 How can the developer make money on this? I just  
2 don't understand that.

3 I guess that is the question -- these  
4 are just some questions I'm throwing out.

5 As chairman of the Middletown Township  
6 Planning Board where this lies, I know we must have  
7 all the facts in order to do a site plan. And I know  
8 you don't really think you have to do that, but when  
9 the Coast Guard added some buildings out here, they  
10 came before the Middletown Planning Board and  
11 explained what they were doing and Brookdale does  
12 that, too, out of courtesy just to be nice.

13 What we know is surely going to change  
14 and commercial enterprises, the pressure to make more  
15 and more money out of the same site will have to  
16 generate more people, cars and traffic. The sites  
17 stay the same, small, and the buildings get bigger  
18 and bigger. I have seen this go from small buildings  
19 to a Home Depot and the next thing you know the land  
20 is all used up and you have more cars and more  
21 tracts -- more trucks and more people.

22 When the not-for-profits generally for  
23 education fail to make enough money, who is going to  
24 protect them? Who is going to keep them from having  
25 to leave these buildings? Because obviously somebody

1     that can pay for more, the developer is going to be  
2     more interested in them.

3                     The Park Service says it will control  
4     everything so that nothing will expand or change, but  
5     I have never seen that on the planning board. I mean  
6     I have to say it changes constantly as the pressure  
7     to bring more money in, you know, goes up.

8                     I just don't believe the preservation by  
9     commercialization is -- I think it's an oxymoron. My  
10    husband told me not to use that word but I'm going to  
11    use it.

12                    This national park is really unique.  
13    It's right here in the middle of extreme development.  
14    When it was put here and was here during ing the  
15    Second World War, we didn't have the development  
16    outside this park at all.

17                    Atlantic Highlands wasn't crowded;  
18    Highlands wasn't crowded; Route 36 wasn't crowded.  
19    So now you're going to add people to that to an  
20    already now crowded area outside. I don't see how  
21    you can handle it.

22                    You can't get down Ocean Road. You  
23    can't get down Route 36 and I know of course because  
24    of the Planning Board all the developments that are  
25    going in. That scares me to death. I don't know how

1   you are going to do it. It will cause sprawl because  
2   it will start creeping through all peoples' roads.

3                   How can we tell the environmental or  
4   traffic impact of this development if we can't see  
5   the facts? I read both of them and from the planning  
6   board experience, I can't tell what the environmental  
7   report really says or what the traffic reports really  
8   says because I don't know numbers. I don't know  
9   figures. When they come before the Planning Board  
10  they give us numbers and figures.

11                  Why do we have all this secrecy? I just  
12  don't understand that. I have been asking the same  
13  questions for now I guess it's over a year or maybe  
14  it's two years; and I'm told they are unimportant or  
15  they're irrelevant. I'm treated like -- I won't say  
16  what I'm treated like.

17                  So why won't you go before the  
18  Middletown Planning Board and maybe try to explain  
19  more of these facts and figures of what is going to  
20  happen? As I said, Brookdale does go before us.

21                  Why has the National Park Service  
22  refused to have a real back-and-forth discussion with  
23  the people? Why is a lease signed in secret before  
24  Mrs. Rust goes on vacation? Why did Mrs. Manella,  
25  whom I have met, say the contract and financing were

1 valid at this point when the developer has until  
2 December 31st to prove that he has the money? I  
3 don't understand that. Why can't we try for a  
4 combination --

5 CONGRESSMAN PALLONE: Judy, I have to  
6 warn you that you're already at eight minutes.

7 MRS. COLEMAN: Just one minute. Why  
8 can't we try for a combination of private,  
9 individual, corporate and public funding? New Jersey  
10 gets shortchanged all the time and that's what I  
11 really would like to see is a lot of help.

12 Are you going to negate the 1979 Gateway  
13 Management Plan to preserve and protect for the use  
14 and enjoyment of future generations by an area  
15 possessing outstanding natural and recreational  
16 features?

17 So can we put this current plan aside  
18 and get together and talk about how we could really  
19 save this region and save sprawl and save traffic?

20 CONGRESSMAN PALLONE: Okay. Thank you.  
21 Mrs. Stanley Coleman went the opposite. She asked so  
22 many questions. Right? I don't know if you can  
23 answer them all.

24 Do you want to try to go down or do you  
25 want me to try to summarize a little? Were you able

1 to -- go ahead. You can try.

2 MR. MC INTOSH: I think I have many of  
3 them. I mean the balance between conservation and  
4 preservation, the balance between the uses of this  
5 land for natural resources or recreation.

6 CONGRESSMAN PALLONE: Bob, can I ask you  
7 one thing? She kept mentioning, and I remember I  
8 mentioned I may interrupt from time to time; and I  
9 wanted to go back to the Asbury Park Press editorial  
10 from yesterday because some of the questions that  
11 they had sort of related to the same questions that  
12 Mrs. Stanley Coleman asked. One of them was, "How  
13 does the Park Service reconcile converting buildings  
14 in a national park for private commercial use with  
15 its core mission of protecting federal park land and  
16 making it available for public recreational use?"

17 In other words, I think that is kind of  
18 a catch all thing that a lot of people ask which is  
19 whatever the law is and maybe you can explain the  
20 law, but a lot of people have a hard time justifying  
21 the mission, if you will, the Park Service with the  
22 whole idea of commercial use of the property.

23 So I know that maybe you could start  
24 with that and go through the rest of them. I think  
25 that she kind of mentioned that over and over again.

1                   MR. MC INTOSH: The question goes right  
2 to the heart of a very controversial question across  
3 the country. The Congress has provided us the  
4 authority to lease real property for commercial  
5 purposes; and in places where we have gone through a  
6 planning process and made the decision that that is  
7 the appropriate and the appropriate thing to do, we  
8 have moved forward in those cases.

9                   There are examples across the country  
10 where that has either been done or being worked on.

11                  In the Sandy Hook case, I think it's  
12 important to remember that out of the several  
13 thousand acres here, we're only talking about leasing  
14 the buildings within ten percent of that. And 36  
15 buildings at that in a campus setting of roughly a  
16 hundred buildings.

17                  The remainder buildings beyond the 36  
18 that are available through this lease are public  
19 buildings, educational buildings and park  
20 administrative offices; and within the 36 buildings,  
21 while there will be some spaces, obviously, office  
22 space or administrative space as far as the lease is  
23 concerned, a significant portion of that space is  
24 into educational space as well as overnight  
25 accommodations and food services.

1                   So taken as a whole, I don't think, in  
2   our perspective anyways, I don't think we're  
3   commercializing Sandy Hook. We obviously have a  
4   business venture here with respect to this lease, but  
5   the cash flow is, in our judgment, necessary to  
6   underwrite the investment necessary to restore and  
7   maintain these buildings.

8                   CONGRESSMAN PALLONE: Why don't you go  
9   through the questions as best you can.

10                  MR. HOLLENBERG: I just like to add to  
11   what Bob said and point out that leasing, as it might  
12   help to think of it as a tool that has been given to  
13   the Park Service, in fact, a tool that the Park  
14   Service has been encouraged to use as a device to  
15   enhance preservation of historic buildings for which  
16   we don't have a direct use ourselves.

17                  This is Bob -- as Bob says, this is a  
18   tool that is being used around the country by the  
19   Park Service and, indeed, by other federal agencies  
20   and many states, in fact, and in many local  
21   municipalities use so-called historic leases; and the  
22   notion is simply to make the space -- such spaces  
23   available for uses that do not degrade the purpose  
24   for which those respective parks have been created  
25   and to make sure that the architectural and design



1 restrictions -- and use restrictions are placed on  
2 those properties so as to accomplish that.

3               This was not a tool that was invented  
4 for Sandy Hook and it is a tool that has been used  
5 for some time. And I think it's interesting to sort  
6 of maybe focus on the word "commercialization." All  
7 of us I think in this room have had the pleasure of  
8 going to national parks, state parks, local parks  
9 and, frankly, paying for things while we're there;  
10 whether we buy a souvenir at a shop or whether we  
11 enjoy food, whether we pay to camp, whether we pay to  
12 park, whether we pay for an enhanced level of  
13 interpretation then what is normal. All of those  
14 things require each of us when making that choice to  
15 do that to dip into our wallets to embark on that  
16 expenditure for that service in return; and I think  
17 to suggest that parks across the country are not,  
18 quote, commercialized I think is using the word  
19 "commercialized" maybe a little more broadly than it  
20 is certainly our intention.

21               There is no proposed retail outlet, for  
22 example, as part of this facility. As you I think  
23 those of you who have had the experience of reading  
24 through the lease know that it has pretty specific  
25 range of usage alternatives within it. We have tried

1 to walk a line in those usages between allowing the  
2 developer to have the kind of flexibility over time  
3 but to make sure we don't get uses in here that do  
4 exactly what Ms. Coleman said.

5 We share those concerns. We're not  
6 interested in a commercialized park.

7 CONGRESSMAN PALLONE: David. Peter.  
8 We're going to have to go in order here. I know that  
9 I'm only interrupting because I'm trying to get a  
10 little dialogue going.

11 Just as an example, for example, if you  
12 go to Grand Canyon, obviously there are places at  
13 Grand Canyon where you can stay over night. There  
14 are things that you can buy at Grand Canyon that  
15 relate to souvenirs from Grand Canyon or whatever.

16 But, the impression that we're getting  
17 is that different -- the difference maybe between  
18 what's proposed here as opposed to what I saw at  
19 Grand Canyon when I was there a few years ago is that  
20 people would be staying over night here, not  
21 necessarily to use the park but for other purposes,  
22 you know, for business concerns or whatever.

23 You say there is restricted retail use  
24 but there may be retail use, I mean, that doesn't  
25 relate in any way to the park. In other words,



1 uses of the spaces that do not directly associate  
2 with the natural, cultural resources of the park.  
3 There could be an office here, a law office or  
4 whatever. That's a very small percentage of the  
5 space, number one, and, number two, in the lease  
6 dynamic that we're looking at, that percentage of  
7 buildings set aside for office spaces is available  
8 for office space use; and it's a part of a formula to  
9 assume a mix of uses that will raise the revenues  
10 necessary to rehabilitate and maintain the  
11 properties.

12 CONGRESSMAN PALLONE: I know that Mrs.  
13 Coleman asked a lot of questions. Maybe if you could  
14 try to answer some of them, we could move on.

15 MR. MC INTOSH: A couple of them I think  
16 jumped out at me, and not to go to the financials  
17 because adequate or inadequate we answered that to  
18 the first person who spoke, but what will the place  
19 look like? I think that is certainly a concern to  
20 all of us in the Park Service and a concern to  
21 everybody else.

22 It will be a busier place. There is no  
23 question about that. The buildings will be utilized.  
24 Most of these 36 buildings right now are vacant.  
25 There will be parking that will be provided so to

1 speak in the back of the Fort away from the water,  
2 away from the historic resources and the buildings  
3 will be occupied. So it will, in my sense of what it  
4 will look like in terms of activity, it will be more  
5 like a college campus with people moving in and out  
6 of these buildings and walking around and hopefully  
7 having the opportunity to enjoy some space outside.

8                   The outside appearances will be  
9 rehabilitated to the historic original design and the  
10 public will have the opportunity -- the general  
11 public, that is, will have the opportunity to enjoy  
12 the campus and to enter those buildings that are  
13 available for the public use.

14                   CONGRESSMAN PALLONE: Let me ask another  
15 one of the questions that is here in the Asbury Park  
16 Press editorial because it kind of goes to that. It  
17 says, "What are the Park Service" -- no. I'm sorry.  
18 "What percentage of the buildings being restored will  
19 be accessible to the general public? How will the  
20 Offices Club be used and how much of it will be open  
21 to the public? And what percentage of the  
22 accommodations planned for Fort Hancock will be  
23 available to the general public and what will be done  
24 to keep them affordable?"

25                   I guess the concern again is to the

1 extent that the buildings are used for private  
2 purposes, there is some restriction of the public and  
3 to what extent you're going to try to keep them  
4 available to the public?

5 MR. MC INTOSH: I'd like to respond to  
6 that if I may, Congressman. The buildings -- the  
7 uses that are prescribed in the lease and they're  
8 very narrowly prescribed with the addition of  
9 hospitality are exactly the same uses that are  
10 present in the park today. With our current park  
11 partners who occupy 20 buildings, only one of those  
12 buildings is genuinely open to the public and that is  
13 the New Jersey Audubon Society Sandy Hook bird  
14 observatory.

15 One cannot wander around the classrooms  
16 at the Marine Academy of Science and Technology or  
17 enter the Noah Marine Fisheries Laboratory. The  
18 majority of the uses in the 36 buildings, part of  
19 Sandy Hook Partners plan will be for education.  
20 Those buildings will receive a lot of public use but  
21 are not generally open for people wandering around.

22 The hospitality facilities are certainly  
23 going to be open to the general public and available  
24 for anyone. They're obviously going to have to be  
25 available at market rent. There will be comparable

1 prices to accommodations in this round of community,  
2 otherwise they wouldn't be successful.

3           The Officers Club I think has a really  
4 unique opportunity as a combination of a museum and  
5 club which would certainly be open to the public to  
6 celebrate the history -- the military history of the  
7 defense of our nation, and that entity I think will  
8 be the cornerstone will be really the gem of all of  
9 Fort Hancock buildings and open to the public.

10           CONGRESSMAN PALLONE: Okay. I know we  
11 didn't answer all your questions, Judy, but I think  
12 we have to move on.

13           The next person is Jim Coleman. Come on  
14 up.

15           MR. COLEMAN: Thank you, Congressman.  
16 My name is James Coleman and I happen to be the  
17 husband of the previous speaker. I live in  
18 Middletown also but a native of Asbury Park and lived  
19 in this area all my life. I'm an attorney. I have  
20 been an attorney for 52 years.

21           There have been some speakers here who  
22 have talked about a lease. In my experience as an  
23 attorney I have drawn many a lease, examined many a  
24 lease and I can tell you in my opinion this is not a  
25 valid lease. It has a condition in it. A condition

1     that must be met by the end of December of this year.

2     So it's not a valid lease. It has a condition in it.

3                 But I have some questions. I'm not  
4     going to make a statement. These questions have  
5     plagued me from the beginning.

6                 First of all, this project was  
7     bid -- let out for bid in August of 1999. The bids  
8     received in November of '99 and in 2000, March 2000  
9     it's my understanding that Mr. Wassel was told he was  
10    the favored suitor. Then finally, almost 20 some  
11    months later in October 2001, they entered into a  
12    contract not with Wassel Realty Group; Sandy Hook  
13    Partners who wasn't even in existence at the time the  
14    bid was made.

15                Now, I ask you, gentlemen, there is a  
16    section five of the request for proposals said submit  
17    the financial statement of yours for the last two  
18    years. Now, how in the world could Sandy Hook  
19    Partners do that when they were not in existence?

20                This question, Mr. Wells is very  
21    familiar with this and I have never got an answer yet  
22    except one that was a bold face lie. If the bid was  
23    made by Wassel Realty Group.

24                (Note: Audience booing.)

25                MR. COLEMAN: You'll see why it's a lie



1 in a moment.

2 CONGRESSMAN PALLONE: All right. We'll  
3 try to refrain from calling people liars.

4 MR. COLEMAN: All right. I'll put it  
5 this way, Congressman. I wasn't told the truth.

6 (Note: Audience booing.)

7 MR. COLEMAN: Now, I was on a telephone  
8 conversation, Mr. Wells present, Mr. Adlerstein, my  
9 wife, two other people with Mr. Conte, a lawyer from  
10 Boston. I said, "How if Wassel Realty Group bid this  
11 did you give the contract to Sandy Hook Partners?"

12 He said, "There was an assignment." I  
13 said, "That's fine. Would you be good enough to send  
14 me a copy?" And on the phone in the presence of four  
15 witnesses, "Yes, I will."

16 Two weeks later I met Mr. Wells at a  
17 public affair and came up and said to me there was no  
18 assignment. How would you like it if an attorney for  
19 the United States Government told you something that  
20 was not true? To this date I don't know how you  
21 assign it from one thing. Somebody said, "Well,  
22 they're listed in the proposal."

23 Three times there is occasion where they  
24 have the initial SHP. I don't know what that meant.  
25 They were not even in existence. Wassel Realty

1 Group, I know who that is, solely owned by Mr.  
2 Wassel. I don't know who is in Save Sandy Hook  
3 Partners or Sandy Hook Partners. I have no idea.

4 They talk of partners. It's a  
5 corporation. Corporations don't have partners. They  
6 have directors, stockholders. So these questions --  
7 and financially we've raised that question.

8 Now, the original condition of the lease  
9 that they had was given the name by Mr. Wells back in  
10 early 201 -- 202, I'm sorry, said that at the time  
11 the lease was signed, it must show proof of all the  
12 financing for all the projects. Somewhere along the  
13 line before July 9th some of the bright young people  
14 of the Park Service says we better change that. They  
15 did change it. That's the condition. Only have to  
16 show about 13 million. That is not all of it.

17 One other thing you can answer this for  
18 me. I happen to have it on redacted copy of  
19 proposal. You may wonder how I have that, Mr. Wells,  
20 but I have it. It says, "What lease term will you  
21 require?" Wassel Realty Group says, "We require a  
22 49-year-lease term. Now, I ask you, how did it go  
23 from 49 to 60? Maybe you can answer that.

24 While you're at that, if it was told in  
25 2000 March, why did it take for the following October

1 to enter into some sort of contract? What happened  
2 in all that term? I would like the answer to some of  
3 those questions. Thank you very much.

4 CONGRESSMAN PALLONE: Thank you, Judge.  
5 I'm trying to develop a little bit here and  
6 summarize. As far as the assignment from Wassel to  
7 Sandy Hook Partners and the financing, the question  
8 that keeps coming up about the financing is the  
9 division of the lease, you know, to one year or  
10 whatever and you have to come up with financing at a  
11 certain point and what has to be done by the end of  
12 the year. Maybe, if you can just answer his but also  
13 make it kind of a little larger in those issues of  
14 the financing.

15 MR. HOLLENBERG: Well, simply to address  
16 Mr. Coleman's concern about Sandy Hook Partners, the  
17 Park Service executing the lease with Sandy Hook  
18 Partners, he rightly says that the proposal submitted  
19 by the Wassel Realty Group says that a new entity  
20 will be formed to enter into this lease refers to  
21 Sandy Hook Partners.

22 CONGRESSMAN PALLONE: Let him answer the  
23 question, Judge. Go ahead.

24 MR. HOLLENBERG: Thank you. The  
25 financing for the project, you know, there was an

1     accusation that we didn't release financial  
2     information about the project; and certainly in the  
3     draft lease, the information about the revenue  
4     received by the Park Service was redacted, but the  
5     day the final lease was executed, all of that  
6     financial information was provided and it illustrates  
7     how much money as a flat per square foot rent and as  
8     a percentage of the gross revenue, as most of the  
9     contracts that the Park Service executes, throughout  
10    the term of lease.

11                 The way that the financing was required  
12    and the request for a proposal, it required that each  
13    of the proposers demonstrate that they had the  
14    capability of financing the project.

15                 The draft lease required that the Sandy  
16    Hook Partners demonstrate financial commitments to  
17    fulfill the project. In our final negotiations, as a  
18    further protection of the public interest, we  
19    established a requirement that he, in order to  
20    achieve the project in a timely manner, that he show  
21    that the funds -- demonstrate that the funds were  
22    available to complete phase one of the work.

23                 As any of you know who have every bought  
24    a house, you get a loan commitment and subsequently  
25    you close on a loan. You don't get the money when

1   you just get your loan commitment; and, certainly,  
2   any legitimate financial institution is not going to  
3   commit money five years in advance for a  
4   project -- they're not going to hold that money back  
5   and let it lay fallow during that time period.  
6   They're going to make the money available over the  
7   course of the five-year rehabilitation period; the  
8   funds as it's needed.

9                   Just as if you got a mortgage for a  
10   house that included some repairs, the bank is going  
11   to give you that money as you expend it. Not give it  
12   to you all at the front end.

13                  It's a very traditional, very common  
14   financial practice. Anybody who has ever bought a  
15   home understands that.

16                  CONGRESSMAN PALLONE:  Richie, can you  
17   just maybe talk to us a little bit about the way it's  
18   set up in terms of the financing?

19                  First of all, this issue of assignment  
20   that Judge Coleman mentioned, if you could respond to  
21   the assignment question, but the way I understand it  
22   and the questions that keep coming up were the fact  
23   that, you know, initially this was a six-year lease  
24   and the -- 60-year lease and the impression was given  
25   that you had to come up with all the financing up

1 front. Then it was somehow divided so that, you  
2 know, you could do the first phase, second phase,  
3 whatever; and now, when the lease was signed in June  
4 or July, they don't really even have to come up with  
5 the financing until the end of year.

6                   Maybe just lay it out a little for us.  
7 There is still confusion in my mind about how -- you  
8 know, what the time line is and how it's broken up  
9 and when they have to provide the financing; and then  
10 maybe also this assignment issue because you really  
11 didn't answer that one. I'm not sure I totally  
12 understood what Mr. Coleman was saying in that  
13 regard, but if you could address that.

14                   MR. HOLLENBERG: Well, what I understand  
15 Mr. Coleman to be asking is how could the Park  
16 Service sign a lease with an entity called  
17 Save -- I'm sorry, Sandy Hook Partners when that  
18 entity didn't exist when Wassel Realty Group  
19 submitted a proposal.

20                   That proposal indicated that a new  
21 entity would be created to enter into this lease and  
22 that was fully understood by the committee that the  
23 regional director assembled to review those leases.  
24 It's not really an assignment. It was an  
25 understand --

1 (Tape turned over.)

2 CONGRESSMAN PALLONE: ...done with the  
3 assignment enough. If you want to talk a little bit  
4 about how this financing is arranged and how it's  
5 broken up and why the lease was signed and yet they  
6 have until the end of year, you know, that type of  
7 thing.

8 MR. HOLLENBERG: I just wanted to just  
9 make an observation about the overall process of the  
10 RFP and the nature of the, what I have to call, the  
11 evolution of the lease since the RFP was responded  
12 to.

13 As many of you know, there was a draft  
14 lease as part of the request for proposal that went  
15 out some years ago and that draft lease was  
16 identified as a draft and I think represented the  
17 best outline of the future deal that we could  
18 estimate when that RFP was being written.

19 However, and there are several  
20 approaches that you could take in such an RFP. One  
21 could say here is the lease, take it or leave it.  
22 Bid on this or else. If you don't bid on this lease  
23 as exactly presented in this request for proposal,  
24 then your bid is unresponsive.

25 The Park Service, I believe, correctly

1   took the approach of drafting a lease which was  
2   pretty comprehensive but which also said once we  
3   select someone, it is our intention to embark on a  
4   negotiation with you so that the ultimate lease is a  
5   negotiated lease as opposed to a take it or leave it  
6   approach. I'm sorry.

7                   CONGRESSMAN PALLONE: Please. The  
8   format, as I said, is we're going to have speakers  
9   ask questions. I'm taking the privilege of  
10  elaborating on it because I'm having the forum. You  
11  have to wait your turn other than me. I apologize.

12                  MR. HOLLENBERG: I would love to answer  
13  the question. I simply didn't hear it.

14                  Fundamentally, since the RFP was  
15  awarded, there has been a great deal of time and  
16  energy in working with the selected respondent to  
17  make the lease something that will work that we all  
18  hope will work for the benefit of Sandy Hook.

19                  CONGRESSMAN PALLONE: Okay. David, I'm  
20  going to stop you only because -- can you just  
21  briefly describe how we went from 60 years and the  
22  whole project of dividing it up and how the lease was  
23  signed yet the financing doesn't have to be provided  
24  until the end of the year?

25                  MR. MC INTOSH: Well, as David



1 Hollenberg just said, it was a negotiated lease. The  
2 RFP indicated that the lease term could be anywhere  
3 from 15 to 25 or longer years.

4           The historic preservation tax credits  
5 will be an important part of any preservation project  
6 here at Sandy Hook or, for that matter, virtually all  
7 major preservation projects in the nation, state and  
8 local as well as federal. Those regulations require  
9 that a lease be more than 49 years -- I'm sorry, 39  
10 years. Thank you, David.

11           As Sandy Hook Partners undertook their  
12 due diligence in understanding fully the condition of  
13 the building and buildings and the amount of money  
14 that it would be required to rehabilitate them and to  
15 preserve them over the long term, they recognized  
16 that the investment would be greater, or the Park  
17 Service recognized that the investment would be much  
18 greater and would require a 60-year term through for  
19 amortization of that investment.

20           So on the advice of our financial  
21 consultants, we approved the term of 60 years.

22           CONGRESSMAN PALLONE: But it's also  
23 divided up so that when you signed the lease, they  
24 only have to do the first phase and provide for the  
25 financing for the first phase and they have until

1 December 31st.

2                   So, in other words, how did you decide  
3 to divide it up into those phases and, you know, do  
4 it that way? What was the basis for that?

5                   MR. WELLS: Well, the property is  
6 300,000 square feet and it's simply not possible to  
7 do that amount of construction all at one time. I  
8 mean, as most of you know, my experience was prior to  
9 coming here was as the director for the restoration  
10 of Ellis Island, and that was approximately the same  
11 amount of square footage and it took seven years to  
12 do that restoration project. And the money that came  
13 from public donations came throughout that seven-year  
14 process. It was not available on day one when the  
15 restoration began.

16                   This project will be in three phases;  
17 and Sandy Hook Partners demonstrated they had the  
18 capability of obtaining the funding necessary for the  
19 entire project when they responded to the RFP through  
20 their demonstrated experience and past practice.  
21 They illustrated to us that they had commitments --  
22 commercially reasonable commitments from banks that  
23 at the time that the lease was executed.

24                   Now they have to -- and the National  
25 Park Service and the final negotiation of the lease

1 added an additional protection in the public interest  
2 to ensure that the project is completed in a timely  
3 manner and that is to require that they have -- that  
4 lending institutions demonstrate they have the money  
5 in the bank to provide for the construction of the  
6 first phase of the project.

7 Any bank -- no bank is going to say,  
8 okay, I'm going to lock up in my vault now, 20,  
9 \$30 million and I'm going to let it sit there for  
10 five years doing nothing, not earning any money until  
11 you need it for the final completion of the project.

12 So, before Sandy Hook partners can begin  
13 on any phase of the work, they will have to  
14 demonstrate that they have the commercially  
15 reasonable financing for that project and they have  
16 plans -- construction documents approved by the  
17 National Park Service and the State Historic  
18 Preservation office; and if they don't do that within  
19 established timeframes in the lease, then they're in  
20 default of the lease; and we're entirely confident  
21 that they will be able to accomplish this task.

22 CONGRESSMAN PALLONE: Okay. Thank you  
23 Richard.

24 Next we have George Moffett.

25 MR. MOFFETT: My name is George Moffett,

1 and I'm from Oceanport, New Jersey. I do belong to a  
2 group called Save Sandy Hook, however, Mr. Josephson  
3 spoke for us today. I'm speaking as a private  
4 citizen. Therefore, a couple comments I make may or  
5 may not be in synch with the views of Save Sandy Hook  
6 but I'm not speaking for them. Okay?

7 I've been writing for about the last two  
8 years in the Atlanticville, The Hub, the Asbury Park  
9 Press, Two River Times, the Independent and in any  
10 other paper that would give me some ink about this  
11 project, so I don't have too many questions because  
12 every time I raise a question in one of the articles,  
13 I was always expecting a response somewhere, somehow,  
14 some place and never getting any.

15 But there are some very serious  
16 questions that the Park Service has never dealt with.  
17 I would like to start out by asking this one  
18 question. What are we doing here today now that the  
19 lease has been signed? If it's been signed, that's  
20 the end of the discussion. Right?

21 CONGRESSMAN PALLONE: George, let me say  
22 this. I understand that --

23 MR. MOFFETT: I have an answer for it.

24 CONGRESSMAN PALLONE: You have an  
25 answer? Okay.

1                   MR. MOFFETT: Of course. I'm not going  
2 to strain these gentlemen to come up with an answer.  
3 My suggestion is that it really isn't a lease. That  
4 there is an escape clause, that is a term that I like  
5 to use, whereas the Park Service itself says in the  
6 lease that it can terminate this lease at any time.

7                   So it's a lease and yet it isn't a  
8 lease. So why then did the Park Service sign this  
9 lease that isn't a lease? To make most of us think  
10 that the fight is over and we should all go home.

11                  What should we be doing? Talking to our  
12 Congressman, talking to our other Congressman and  
13 still fighting this project because it ain't over yet  
14 until the fat man sings.

15                  Now, my questions are, my questions are  
16 recreation. Recreation, if you lease all 78  
17 buildings that you told Congressman Pallone could at  
18 some point down the line be leased out, not just the  
19 36 that are under discussion now, this could actually  
20 reduce the amount of recreation at Sandy Hook by up  
21 to 20 percent because the Park Service has a limit of  
22 5,000, give or take, cars that are allowed here on  
23 any given day. Usually on Saturdays and Sundays in  
24 July and August, they close the park ten, 11 o'clock  
25 in the morning. You can only get in here by boat.

1                   So, if this project goes through, as the  
2   National Park Service hopes it will, and if it  
3   expands, how can it not reduce recreation here at  
4   Sandy Hook, probably the premiere beach in New Jersey  
5   with the exception of Island Beach State Park. Now  
6   that is a judicious observation. Also --

7                   CONGRESSMAN PALLONE: You don't want him  
8   to answer that one first?

9                   MR. MOFFETT: Why don't you have them  
10   write it down because we'll be here until next week  
11   if you have to answer every question here. I just  
12   assume have them send me a note some day.

13                  Because the other concern that I have,  
14   Congressman, is usage of the buildings. We're told  
15   that there will not be any inappropriate use of the  
16   buildings but we can have up to 70 percent of the  
17   buildings used for commercial.

18                  However, in the lease, as I read it, and  
19   as a lawyer or two has told me, there is an escape  
20   clause because the references to uses are not  
21   included specifically in the lease. They are  
22   referenced by external documents, none of which are  
23   actually mentioned in the lease, which means that --

24                  CONGRESSMAN PALLONE: You're getting all  
25   too complicated for me.

1                   MR. MOFFETT: The point is there is no  
2 control over the use of the buildings in the lease.  
3 That's it. And so my concern is why is the National  
4 Park Service pushing so hard to commercialize its own  
5 park property?

6                   Our problem with funding has only been  
7 20 years in the making in the sense that we have a  
8 very conservative element in Congress that doesn't  
9 want to spend nickles and dimes on the parks. But we  
10 have a 130-year history of the parks.

11                  So what is to prevent us from maybe  
12 changing the political climate down the road where  
13 this nation will recognize the fact that our parks  
14 are important?

15                  CONGRESSMAN PALLONE: We're getting too  
16 much beyond Sandy Hook now.

17                  MR. MOFFETT: Yes. But the thing is it  
18 is a national issue.

19                  CONGRESSMAN PALLONE: I agree.

20                  MR. WELLS: Let me, if I can.

21                  MR. MOFFETT: I'm sorry.

22                  CONGRESSMAN PALLONE: It's going to be  
23 rough here today because I want to get some questions  
24 answered but on the other hand I know the time is  
25 limited.

1           The larger issue of where we're going  
2 with the parks is certainly out there. I'm not going  
3 to disagree with you that this administration and the  
4 Congress right now are not a very favorable to  
5 privatization, which is something that I don't  
6 support in general.

7           Theoretically, sure, you can pass a law  
8 that says that they can't do any of these things.  
9 They can't privatize. They can't commercialize. You  
10 can change the Congress and hopefully do that. But  
11 that's what happens in elections and it's not what  
12 we're going to resolve today.

13           The one thing that he did mention and I  
14 would like to follow-up on it, and I'm not sure,  
15 George, this is exactly what you were getting at, was  
16 this idea that, you know, what percentage of it can  
17 actually be used for commercial purposes and what's  
18 to change it down the line?

19           In other words, the fear I'm hearing  
20 from a lot of my constituents, some of whom are here  
21 today, is that maybe in the first phase it's going to  
22 be primarily educational, you know, Rutgers,  
23 Brookdale, Monmouth. I don't even know if they're  
24 all interested. Let's throw them out.

25           Then, after the first phase, everything



1 is going to end up being law offices and boutiques  
2 and things.

3                   Is there anything -- the feeling is  
4 maybe we're being hoodwinked a little into thinking  
5 as a result of the first phase it's going to be very  
6 educational and maybe more in tune with the  
7 recreational purposes, but there is nothing to  
8 maintain that. There is nothing to prevent the  
9 majority of it from being commercial that's not in  
10 any way linked to the Park Service or the activities  
11 at Sandy Hook.

12                   Can you develop that a little?

13                   MR. MC INTOSH: Fundamentally, you say  
14 there is no controls over us and we have to disagree  
15 with that. There are not inch-by-inch controls, but  
16 there is a requirement in the lease as to the amount  
17 of square footage by percentages that can be  
18 allocated to different uses.

19                   I think we tend to mix up, and I can  
20 understand the statement commercialization in the  
21 context of a lease, but up to 30 to 50 percent of the  
22 space needs to be educational purposes. It will be  
23 leased space. If we can call that commercialization  
24 if you wish to but it's being used for educational  
25 spaces; and it's largely in excess of that space that

1 is being used for educational purposes, research  
2 purposes.

3 MR. MOFFETT: Educational use, nonprofit  
4 use, social service use is not my definition of  
5 commercial.

6 MR. MC INTOSH: Okay.

7 MR. MOFFETT: Giving it to an  
8 inexperienced real estate company that has had no  
9 experience in this area for 60 years, which is a very  
10 long time, that is commercialization.

11 CONGRESSMAN PALLONE: Bob, what we're  
12 trying to get at is to what extent is it likely to go  
13 beyond or is it permitted to go beyond and to get  
14 into what might be called real commercial activity  
15 that is not related in any way to the Park Service.

16 MR. WELLS: The constraints that are in  
17 the lease are in the lease. It would -- if they were  
18 to change, we would take upon ourselves to do another  
19 plan, another proposal and another environmental and  
20 106 review, National Historic Preservation Act  
21 review, before we would change the basic formula.

22 MR. MOFFETT: That is reassuring.

23 MR. WELLS: We are required by law to do  
24 that and we are so grateful to have such an attentive  
25 and supportive community that we know you will



1     that he did ask that, that is what I hear. In other  
2     words, my understanding is that at some of the parks,  
3     and maybe you guys can answer this, some of the  
4     parks, and this is sort of a strange question because  
5     it's still commercialization, but we understood that  
6     at some of the parks, rather than put it out to a  
7     private concern like Wassel, that the Park Service  
8     says okay, we're going to privatize but we're going  
9     to enter into those leases individually ourselves  
10    rather than have some agency, you know, like Wassel  
11    that does all the leasing.

12                   In other words, is it possible, I know  
13    it isn't under this lease, but why was the decision  
14    made here to have one agency like Wassel be the one  
15    that does all the individual leasing to Rutgers and  
16    these groups? My understanding is that some of the  
17    parks the Park Service itself does that and leases  
18    out the individual buildings and doesn't have a sort  
19    of agent like Wassel, if that's the word? You could  
20    answer that. That has come up.

21                   MR. WELLS: Those options do exist and I  
22    think as we have had throughout the service have  
23    experience in trying to better manage and preserve  
24    these historic properties that we have found that we  
25    are better positioned and eventually the client, the

1    leasee, is better positioned; the user leasee is  
2    better positioned that there is a so called master  
3    lease; and there have been places where that's been  
4    done privately and there is places where that has  
5    been done or is being done through nonprofit  
6    organizations.

7                   At the time that we reviewed the RFP,  
8    the responses to the RFP for Sandy Hook lease, there  
9    was not a proposal made that sufficiently covered the  
10   scope of the investment and the magnitude of the  
11   investment necessary. There were a lot of smaller or  
12   individual building proposals, but none of them  
13   presented to us anyways evidenced that they could  
14   undertake the larger, more comprehensive  
15   rehabilitation that was needed for Sandy Hook.

16                   CONGRESSMAN PALLONE: Just so everyone  
17   understands that and I know, again, as George said,  
18   we're talking after the fact here since they have  
19   signed the lease, but theoretically, and it gets to  
20   some people saying why are we talking about this  
21   because it's commercialization anyway, but  
22   theoretically the Park Service could have, you know,  
23   put these 36 buildings out individually and  
24   approached different groups to do each building or  
25   theoretically they could have had a nonprofit instead

1 of a profit-making organization, you know, be sort of  
2 the agent for the whole thing.

3 I mean those were options. Because I  
4 know people have asked me whether those were options.  
5 They're not options now because they moved ahead with  
6 this lease, but those were theoretical options that  
7 have been used in other places; and I wanted to ask  
8 that because I know, Ben, that one of the things that  
9 you have asked in the past is that Clearwater was  
10 interested in leasing one of the buildings. I don't  
11 know if you're going to comment on that but I wish  
12 you would.

13 MR. MC INTOSH: I will. Sorry. Did  
14 you -- David, go ahead.

15 MR. HOLLENBERG: I also wanted to add in  
16 this particular situation here, the benefit of a  
17 master lease enabled the enhancement of the  
18 infrastructure throughout the whole campus in a way  
19 that building-by-building approach wouldn't. We can  
20 upgrade the utilities. We can upgrade the internet  
21 connections. We can upgrade the telephone  
22 connections, the water service which is much more  
23 complex on a building-by-building basis.

24 It's also the case that given that these  
25 are, second point, is the fact that these are

1 historic buildings, it's very important to have made  
2 available the possible use of the investment tax  
3 credit for certified historic rehabilitation and to  
4 do that in a comprehensive way; and the proposals  
5 that we received, the best ones recognized that  
6 opportunity and utilized it. That's not an  
7 opportunity that, by the way, is available to  
8 nonprofits.

9 CONGRESSMAN PALLONE: David, you better  
10 explain that a little more.

11 MR. HOLLENBERG: There is a federal  
12 investment tax credit for the rehabilitation of  
13 historic structures; and it's been around since 1980.  
14 It's available across the United States. Indeed,  
15 many states have seen the success of it in triggering  
16 reinvestment in their historic properties and many  
17 states are exploring -- many states have already  
18 created a state version. I actually think New Jersey  
19 is considering doing a state tax credit, but, in  
20 essence, it is a tax device that recognizes --  
21 attempts to level the playing field, the uncertainty  
22 between -- the business uncertainty between  
23 developing historic properties and new construction.  
24 These are national historic landmark  
25 buildings. They need a lot of work. They need --

1 the tax credit can be a very powerful begin for them  
2 and the tax credit can only be utilized by for-profit  
3 entities.

4 And so, hypothetically, if a for-profit  
5 entity is going to undertake a rehabilitation for one  
6 of these buildings, that entity can get a 20 percent  
7 tax credit, therefore, a dollar a square foot expense  
8 is actually costing 80 cents a square foot.

9 That opportunity is not available to the  
10 very same nonprofit that might want to occupy that  
11 building as a tenant as opposed to as a rehabilitator  
12 and it would cost that nonprofit a buck a square  
13 foot, not 80 cents a square foot.

14 So, there is a potential here for much  
15 more, if you will, bang for the buck and still have  
16 the kinds of tenants out here that the lease itself  
17 calls for. These restrictions are in the lease.  
18 They are not referenced in other documents.

19 So the tax credit is an important  
20 component and it's been incredibly successful and  
21 important to this state and to states around us. Lot  
22 of important projects done with it and that require a  
23 for-profit developer to do that work.

24 CONGRESSMAN PALLONE: Okay. Thanks.  
25 Ben? Identify yourself.



1                   MR. FOREST: It's Ben Forest. I live in  
2 Red Bank. While I serve on the board of Save Sandy  
3 Hook as the vice president, I am speaking today on  
4 behalf of one of two speakers from Monmouth County  
5 Friends of Clearwater.

6                   I was president of Clearwater at the  
7 time that the whole lease process was happening and  
8 we were one of the -- in fact I'm very proud to say  
9 we were one of the groups that did apply to get a  
10 lease out here at Sandy Hook house number 11 down the  
11 ways. We had been occupants of that house for some  
12 time. We, in fact, have run 25 festivals as I was  
13 just saying earlier to David.

14                  Anyway, we feel that we were treated  
15 basically unfairly by the Park Service. I personally  
16 sat with the superintendent at the time when  
17 he -- when he, for example, you mentioned earlier  
18 about the lease years; and I asked him what are our  
19 options as far as these lease years, and I was told  
20 25 years maximum, 30 years maybe, 15 years and, of  
21 course, with that, you know, that affected our whole  
22 application process.

23                  Of course we're a nonprofit. I have  
24 made no secret of the fact that this would have been  
25 a very financially challenging undertaking for us, as

1   it clearly is for the current leaseholder. But, you  
2   know, I think that actually if you had given us the  
3   okay, we probably would have already been started out  
4   there; and the net effects is that this whole thing  
5   is, one, putting all the eggs in one basket of one  
6   grand plan has actually probably slowed down the  
7   rehabilitation of the buildings that are going to be  
8   rehabilitated; the ones that make sense to  
9   rehabilitate.

10               Also, one of the things I wanted to say,  
11   another question is that we were never given a phase  
12   option. It was just show us the plan for the money.  
13   Not, you know, phase one, phase two or phase three.  
14   We just had to do it; and I just, you know, I was  
15   very disappointed the whole way this thing has shaken  
16   out and how many things have changed since we  
17   applied; how many of the rules have seemed to change;  
18   how many extensions there have been.

19               And, anyway, we were also part of this  
20   community out here for many years. We committed  
21   ourselves. We had, you know, done things for the  
22   betterment of Sandy Hook and yet we were not given  
23   this -- a chance. We were not given the opportunity  
24   to keep the house that we had been maintaining, the  
25   roof work we had done, the electric. In fact, the

1 electricity out here at this site right in front of  
2 this facility, we put there because of our festival.

3 One year required us to electrify the  
4 festival site or we couldn't have it any more. So we  
5 got out here with trenchers and put wiring down.

6 So, anyway, I wanted to say that. Also  
7 I believe our president, current president of  
8 Clearwater is here, Ed DeLuga, and I believe he is  
9 planning to speak.

10 CONGRESSMAN PALLONE: Can I just  
11 interrupt a second? What Ben is saying kind of goes  
12 to the heart of a lot of the criticism, if that's the  
13 word. In other words, you know, at the time before  
14 the whole process started and groups like Clearwater  
15 were basically not part of it anymore, there was a  
16 feeling that there were organizations like Clearwater  
17 and others whose purpose as an organization was  
18 essentially akin to the Park Service.

19 This kind of goes back to the  
20 philosophical argument about, you know, what are we  
21 doing here and how does whatever happened here relate  
22 to the purpose of Park Service recreation, use of  
23 parks, and Clearwater, and there were ours, were sort  
24 of perfect examples of organizations that whose very  
25 purpose was to, you know, preserve open space and,

1     you know, the very kind of thing you do for the Park  
2     Service.

3                     And the feeling I have gotten from them,  
4     and it's been expressed by other organizations, is  
5     that they were not given the option of the 60 years.  
6     They were not given the option of the phasing and the  
7     financing; that if -- they were just told look, you  
8     know, you got to do the whole thing up front. You  
9     have to show us the commitment up front for the whole  
10    know.

11                    As time went on and they saw that Wassel  
12    was given the opportunity to do a phase in extension  
13    so the deadline for the financing that if they had  
14    had those similar opportunities, that they wouldn't  
15    have had any problem rehabilitating their building.

16                    That is the basic -- we've been asked  
17    that over and over again.

18                    MR. WELLS: Certainly there is nothing  
19    that can be said at this point that can take away the  
20    hardship that befell on Clearwater as a result of  
21    what happened. I can say going into this from my  
22    personal perspective and others in the management of  
23    the Park Service here and the regional office, it was  
24    never our intent to unwittingly or unnecessarily  
25    displace a viable partner who provided with us and

1 for the properties the opportunity to restore them.

2                   And in the review of the proposals, the  
3 one from Clearwater, in the judgment of the panel and  
4 the ultimate recommendations to the regional  
5 director, did not pass that test.

6                   On the other hand, as everybody knows,  
7 the proposal by the Littoral Society did. I only  
8 bring that out to point to the fact that clearly it  
9 was our intent to try to keep our existing  
10 partnerships or existing occupiers of the buildings  
11 on the campus if we could and, unfortunately, in the  
12 judgment of those who are involved, it didn't work  
13 out that way for the Clearwater.

14                   MR. FOREST: I think I have another 40  
15 seconds or so.

16                   CONGRESSMAN PALLONE: Go ahead. Please,  
17 we're trying to have a dialogue and everybody has to  
18 wait their turn. Go ahead, Ben, quickly.

19                   MR. FOREST: The only thing that really  
20 concerns us at Clearwater about this whole thing is  
21 the financial viability; and that we're troubled that  
22 the parks are actually going to be counting on  
23 revenue stream from this development and that we  
24 think that it could affect your objectivity as far as  
25 you want to keep these rules. You don't want to

1 change them. You want to have all these standards  
2 and 70 percent educational use.

3 Frankly, we don't buy it. We don't  
4 think it's going to work. We think what's going to  
5 happen is that there will be maybe a well intended  
6 development going on here, but it's going to take on  
7 a life of its own. What we think is going to be  
8 constructed out here, what we think is going to  
9 happen to all these buildings will not be as it turns  
10 out. We're going to need to have more profitable  
11 structures out here and we're terribly afraid that  
12 the Park Service is going to cave in to those  
13 financial realities rather than say, okay, oops, we  
14 have to take your lease away. Sorry, no 60 years.  
15 We didn't have the money. Didn't work out. The bed  
16 and breakfasts are not paying for themselves.

17 So, you're counting on that  
18 money -- you're counting on the success financially  
19 for this. In a way, it's kind of a conflict of  
20 interest. How are you going to judge impartially as  
21 to whether or not it really meets your criteria when  
22 the Park Service is counting on that money to  
23 maintain this under funded facility? So that's our  
24 big point.

25 CONGRESSMAN PALLONE: Thank you, Ben.

1                   You know, Ben, gentleman, Ben's  
2   questions kind of relate to the last three that are  
3   in this Asbury Park Press editorial again. I'm going  
4   to throw these three questions in right now.

5                   It says, "How could the Park Service  
6   certify a financial plan when there are so many  
7   unanswered questions about how the individual  
8   buildings will be used and by whom? Does the lease  
9   agreement allow the developer to put up new  
10   construction on the footprints of buildings that have  
11   been allowed to deteriorate? What assurances can the  
12   Park Service provide that Fort Hancock won't be  
13   turned into what amounts to a corporate conference  
14   center and retreat?"

15                  I think all these relate to the fact  
16   that since there are a lot of unanswered questions  
17   about how the individual buildings will be used and  
18   by whom, there is a great deal of concern on the part  
19   of the Asbury Park Press as well as all of us that as  
20   the thing develops, there could be new uses. There  
21   could be new construction and that it may end up  
22   starting out as I said before as sort of a, you know,  
23   educational function but as it develops, because it's  
24   not financially viable, it becomes more commercial  
25   and more not linked to the purposes of the Park

1 Service.

2 MR. MC INTOSH: Which one to take first?

3 The question on new construction. There is no  
4 provision in the lease for new construction. The  
5 park services in its own plans has called out for new  
6 construction in two locations for two purposes. One  
7 is a maintenance facility in the north end of Sandy  
8 Hook and the second is not a plan, but a  
9 consideration of the potential reconstruction of the  
10 hospital complex that burnt in the fire of 1985 I  
11 think it was.

12 But that is not a part of the lease. It  
13 is a consideration that we put on the table for, I  
14 think primarily because of the landscape issue in the  
15 historic context of the landscape of Fort Hancock.  
16 That was a significant prominent structure that  
17 anchored the south end of the complex, but at this  
18 point, there are no plans to build that and the  
19 lessee does not have any privileges within the lease  
20 to provide for new construction.

21 Second, the other part of that question?

22 CONGRESSMAN PALLONE: It says as sort of  
23 a general, "What assurances can the Park Service  
24 provide that Fort Hancock won't be turned to what  
25 amounts to a corporate conference center and



1   retreat?"

2                   But I think what Ben's getting at is  
3   this concern that if the financing doesn't work out,  
4   that somehow the nature of project could change and  
5   it becomes more commercial, more corporate even  
6   without new construction, I guess.

7                   MR. MC INTOSH: Frankly, that is a  
8   concern that we across the Park Service share. And  
9   the assurances, and I know you laughed when I said it  
10  before, there is a formula in the lease with respect  
11  to the percentage of uses, the percentage of square  
12  foot for particular uses; and we're not going to  
13  change that without public involvement through a  
14  planning process.

15                  And, well, that's the process that we  
16  will undertake if we have to change that. I think  
17  optimistically speaking, though, there are examples  
18  across the country where from California to Cape Cod  
19  where educational, non-intense commercial type of  
20  activities are successfully using and paying the fair  
21  market value rents of the spaces that they're  
22  occupying; and the risk that we're taking here is  
23  that the risk of letting these buildings deteriorate  
24  versus the risk of trying to find a way, a  
25  responsible way, to get these buildings rehabilitated

1 and find a cash flow situation that can preserve them  
2 into the future.

3 CONGRESSMAN PALLONE: Thank you, Bob.  
4 Next we have Gail Abrams. Is she here? Yes.

5 MS. ABRAMS: Gail Abrams, Little Silver.  
6 Frank, I was hoping I would not be the first speaker  
7 to get up here who was not opposed to this project  
8 because believe me, I'm nervous enough as is.

9 CONGRESSMAN PALLONE: You'll be fine.

10 MS. ABRAMS: Many years ago my son lived  
11 on the Presidio grounds in San Francisco; and I came  
12 home from visiting him for the first time and I said  
13 to my husband who is active in the literal society,  
14 oddly enough, isn't it a shame we don't have  
15 something like that at Sandy Hook? Because I thought  
16 what was going on at the Presidio in San Francisco in  
17 an urban area, the combination of preservation and  
18 use was just something that should be emulated.

19 Shortly thereafter, let me catch my  
20 breath. I'm hyperventilating.

21 Shortly thereafter, somebody did come  
22 here, the superintendent, a new superintendent came  
23 to Sandy Hook with plans to do what he had done at  
24 the Presidio in San Francisco. I was all excited. I  
25 thought this was a wonderful idea and I came to the

1 hearing, the very first hearing that was had by the  
2 public going on ten years ago, and, Frank, I was  
3 practically the only one there. Nobody but me seemed  
4 to be very interested at that time.

5                   Things progressed. Everything seemed to  
6 be going along like it should be going along up until  
7 relatively recently.

8                   I guess I think everybody in this room  
9 wants to preserve Sandy Hook. We all care about the  
10 environment. We care about this jewel that is in our  
11 midst. But most of us also want to figure out some  
12 responsible way of sharing this gem that we have been  
13 given.

14                   It's so easy as an environmentalist to  
15 say no, no, no, no and keep everything the same.  
16 But, I think that we have to keep re-examining our  
17 own selves to make sure that we're not doing it in a  
18 selfish way; and that we really are doing everything  
19 we can to combine preserving and sharing.

20                   I know that there have been a number of  
21 projects similar to the Presidio in San Francisco.  
22 You just had alluded to it a moment ago. I wonder,  
23 first of all, how successful they have been and also  
24 having been involved in construction projects, I know  
25 how many mistakes can be made and how many things can

1 go wrong. I was wondering if you would share with us  
2 to some extent what you have learned and what we can  
3 benefit so that we can be sure we do hit the right  
4 balance between preserving and sharing.

5 Thank you.

6 MR. HOLLENBERG: I'll take your first  
7 question. You of course began your remarks by saying  
8 one of the very best examples were the tools that we  
9 have been talking about today is successful at the  
10 Presidio. But there are others.

11 No surprise, often this tool is used  
12 when the Park Service acquires former military sites  
13 where there is a lot of square footage, sometimes  
14 it's historic, sometimes it's not. In this case it  
15 is.

16 At the Presidio it certainly was, but we  
17 are involved in this region at the moment in other  
18 projects; one in Cape Cod, one in Acadia where in the  
19 case of Cape Cod we have no historic buildings so  
20 it's just a sort of raw real estate but I'm fully  
21 optimistic that that leasing initiative will be  
22 successful. At Acadia we have one historic building  
23 and many non-historics.

24 This one is about all historic buildings  
25 which I think is a factor we can't neglect. I like

1 your way of putting preserving and sharing.

2                   The fact that there is a historic  
3 building, and I talked about the tax credits, there  
4 are numerous layers of review not only by us, but by  
5 most importantly the State Historic Preservation  
6 office and Advisory Council on Historic Preservation,  
7 respectively a state and national organization that  
8 will be taking a look at drawings all along the way  
9 to make sure that the proposals are in accordance  
10 with the nationally accepted standard for work on  
11 historic buildings is which is the Secretary of  
12 Interior standards.

13                   I know we're scheduling another public  
14 meeting for some time next month in October to go  
15 into much more detail about what the nature of those  
16 restrictions and constraints will be. But they are  
17 commonly used across the country and we will have a  
18 lot of partnership with the Council and with the New  
19 Jersey Historic Preservation office in making sure  
20 those happen.

21                   Related to those is a programatic  
22 agreement. Maybe some of those of you in the room  
23 are those who have commented on that. It's not been  
24 signed yet, but it would be an agreement among the  
25 State Historic Preservation office, the Advisory

1 Council, the Park Service and the developer about  
2 those treatments; and part of the draft of that  
3 agreement requires full-time site inspection so that  
4 not only do the drawings get approved, but the actual  
5 daily implementation of those drawings is being  
6 monitored at all times as well as a full-time  
7 archeological monitor to make sure we're having no  
8 impact on any unexpected archeological discoveries.

9                   So there is an elaborate time tested  
10 process to minimize the risks during construction and  
11 you're quite right to point them out.

12                   Thank you.

13                   CONGRESSMAN PALLONE: David, thank you  
14 for mentioning that also. Also you're probably all  
15 aware but the Advisory Council and the historic  
16 preservation, which is in Washington, that was asked  
17 to have a public hearing by Brad Campbell who is the  
18 state DEP commissioner has agreed to do so. We think  
19 that is going to be some time around October 15,  
20 although we don't have a specific date. Brad was  
21 going to try to be here today, but he wasn't able to  
22 but there will be a hearing specifically on the  
23 historic preservation aspects of approximately a  
24 month from now. We'll certainly get back to you with  
25 the details of that. We should have that within the

1 next week or so.

2 MR. HOLLENBERG: I may want to add one  
3 point to that. We talked earlier about the  
4 importance of this project of the investment tax  
5 credit. In order for that to be obtained, there is a  
6 very high level of preservation scrutiny by the State  
7 Historic Preservation Office and by the Park Service;  
8 and so in order to get the credit, certain historic  
9 preservation standards have to be met; and it's  
10 pretty -- we had a lot of experience with it. It's  
11 pretty meticulous reviews.

12 CONGRESSMAN PALLONE: Okay. Our next  
13 speaker is Joyce Collins.

14 MR. COLLINS: That's Joyce and I'm John  
15 and I'm speaking for both of us. We live in private  
16 citizens. We live in Monmouth Beach. I just have  
17 three or four straightforward simple questions if I  
18 may. I'd like to ask them. I can be very quick in  
19 asking them and I would like to get an answer as we  
20 go.

21 The first is under the terms of the  
22 lease, what conditions of non-performance by the  
23 Sandy Hook Partners would constitute default and how  
24 would the Park Service and the taxpayers be  
25 compensated for any default?

12                   And in terms of compensation, that would  
13   not be up to us to determine, but I think there is --  
14   I mean the implication of almost everything in a  
15   legal document is that both parties are going to  
16   honor it to the extent that they can; and if they  
17   can't, they either discuss it or declare each other  
18   in default.

21 MR. HOLLENBERG: The developer will  
22 require bonding. Yes. The developer will require  
23 bonding, yes, and a variety of insurances across the  
24 board.



1 I'm just a little bit surprised that such a vital  
2 issue as default and the impact on construction part  
3 way through, you know, damage occurs at that point.

4 MR. HOLLENBERG: Let me be very clear.  
5 We will absolutely require performance bonds and  
6 material bonds and all the things that will be  
7 normally required in any contract whether private or  
8 public sector. They're not in there now because the  
9 construction has not begun.

10 MS. COLLINS: Good.

11 MR. HOLLENBERG: Of course, and there is  
12 elaborate insurance provisions in that lease as well.

13 MS. COLLINS: All right. In the short  
14 term, why can't the Park Service, you know, we see  
15 our poor friends in Florida that have been blasted  
16 with one hurricane after another. They're all  
17 running to Home Depot and putting up plywood to cover  
18 their windows that are not broken yet.

19 I took the tour some -- was it last year  
20 on some of the buildings, the tour sponsored by the  
21 Park Service in support of the proposal; and I saw  
22 that there were Officers Club and other buildings  
23 have openings to the elements and the water pours in  
24 when it rains like it did today and the deterioration  
25 goes on unabated.

1                   Why can't the Park Service in the short  
2 term get some plywood and put it up there and at  
3 least minimize the deterioration; the ongoing  
4 deterioration?

5                   CONGRESSMAN PALLONE: Before you go on,  
6 I keep going back to the Press because I wanted the  
7 to try to get all the things answered. The first  
8 question that was in the Asbury Park Press editorial  
9 yesterday is, "What are the Park Service and the  
10 developer," although I guess you can only answer as  
11 far as Park Service, Richard, "doing to prevent  
12 further deterioration of the most important buildings  
13 in Fort Hancock including the 1878 Officers Club?"

14                  And, in fact, Richard, as you know the  
15 Asbury Park Press did an another editorial about a  
16 month ago where they talked about that. There seemed  
17 to be not only at the Officers Club but even at some  
18 of the other buildings that they were open to the  
19 elements and that more could be done. I even sent a  
20 letter to Richard at the time about that because one  
21 of my staff had gone on a tour and seen the same  
22 phenomena.

23                  So would you comment? I understand that  
24 you can't get a major project to redo the buildings  
25 because if we were able to do that, we wouldn't be

1 here today. But in terms of just the basic things  
2 like that that he mentioned?

3 MR. WELLS: There is certainly more that  
4 can be done. As you all are sure aware there are 263  
5 structures in the landmark district; and the Park  
6 Service works very hard to preserve and protect them  
7 all, but it's simply not possible to do everything.  
8 That's for that very reason we have entered into the  
9 lease to insure the preservation of the 36 unused  
10 building at Fort Hancock.

11 We have, since the lease has been signed  
12 the, Park Service has worked closely with Sandy Hook  
13 Partners and developed a short-term stabilization  
14 plan, plans to implement repairs that will protect  
15 the buildings until -- through each period of time  
16 before the three phases start.

17 We'll be consulting with the State  
18 Historic Preservation Office as we always do about  
19 those plans and the Sandy Hook Partners are  
20 absolutely committed to preserving -- to undertaking  
21 that work before the winter comes and preserving  
22 these buildings.

23 CONGRESSMAN PALLONE: Richard, what's  
24 the time frame? In other words, again, within the  
25 last month or so you've been out there and I know my

1     assistant was out there and looked at this, and you  
2     particularly mentioned the Officers Club. Is  
3     anything actually being done now for the Officers  
4     Club? You said by the winter. You're going to  
5     actually implement this before the winter?

6                     MR. WELLS: We're going to actually  
7     implement this before the winter.

8                     CONGRESSMAN PALLONE: What does it  
9     entail? Give us a little more information because  
10    there is a lot of concern about it.

11                    MR. HOLLENBERG: There are a variety of  
12    needs to the buildings. There are certainly roof  
13    repair needs to the gutters and all the nonexistent  
14    cornices which allow water to come in.

15                    A variety of ways of making those  
16    repairs. Some of them are shorter term and some  
17    longer term. There are -- continue to be some  
18    openings in the outsides of the buildings, windows  
19    and actually all the doors are certainly sealed.

20                    You know, the Park Service over the  
21    years has put a lot of effort into boarding up the  
22    buildings and you can see how many windows do have  
23    plywood coverings on them and, you know, windows  
24    continue to break and there is certainly additional  
25    work that is needed now.

1                   There is vegetation intruding in the  
2   buildings that also causes water infiltration and all  
3   of that material needs to be removed.

4                   (Note: Tape 2)

5                   MR. HOLLENBERG: ...needs to be done now  
6   is the responsibility of the leasee and the work that  
7   they do today will, in fact, reduce future costs in  
8   terms of their rehabilitation, so, as I said, they  
9   have assured me and I have assured you that they're  
10  fully committed to preserving this building.

11                  MR. COLLINS: You don't have the  
12  responsibility now to do it? It's the lessor,  
13  Wassel, that has that responsibility?

14                  MR. HOLLENBERG: That is correct.

15                  MR. COLLINS: I didn't understand that.  
16  Even in terms of the 36 buildings that are now under  
17  the lease agreement, they have responsibility for  
18  even minor repairs at this point including the  
19  Officers Club?

20                  MR. HOLLENBERG: That's correct.

21                  MR. COLLINS: And they're implementing  
22  the plan by the winter at their own expense?

23                  MR. HOLLENBERG: That's correct.

24                  MR. COLLINS: All right. Is that  
25  something that we can get?

1                   MR. HOLLENBERG: I'm sure you can get  
2 it. We'll certainly be working with the State  
3 Historic Preservation office as is required by the  
4 law; and we'll finalize that plan and we're happy to  
5 share it.

6                   MR. COLLINS: Okay. Thanks.

7                   CONGRESSMAN PALLONE: Just a quick side  
8 question on that. Mr. Wells, in the 2004 budget for  
9 Sandy Hook, was there any dollar amount set aside for  
10 these temporary interim repairs for any of these  
11 buildings? If so, how much was it?

12                  MR. WELLS: No. There has been no funds  
13 set aside.

14                  CONGRESSMAN PALLONE: Thank you. Now  
15 it's Wassel's responsibility which I didn't know.

16                  MR. COLLINS: Did he know that last  
17 year?

18                  CONGRESSMAN PALLONE: I guess not.  
19 Okay.

20                  MR. COLLINS: I heard today and I think  
21 I may have read this previously that only ten percent  
22 of Sandy Hook area is covered by the lease. That was  
23 one of the gentleman from the National Park Service  
24 had mentioned that.

25                  I wanted to know does the National Park

1     Service believe that this ten percent development  
2     will impact the park and the surrounding area by only  
3     a ten percent increase in traffic, mayhem,  
4     population, etcetera? Do they really believe that  
5     that?

6                     MR. WELLS: Sandy Hook today  
7     has -- well, since the park was established in 1974,  
8     Sandy Hook has grown by about 400 acres. It's now  
9     about 2000 acres. We manage 110 of those acres as  
10    cultural landscape. That is we mow the grass, we  
11    maintain the trees. That is about five percent of  
12    the total of the property.

13                    Within that area, more than 200 of the  
14    263 landmark structures exist. The useful buildings  
15    that make up Fort Hancock are about a hundred  
16    buildings, a hundred buildings. This lease covers 36  
17    of those buildings.

18                    So, we're talking about a third of the  
19    building. Mind you no language whatsoever. No land  
20    goes as part of this lease. It's strictly the  
21    buildings on the footprint. So we're talking about a  
22    third of the hundred buildings on property that makes  
23    up one fifth of Sandy Hook; and we've had undertaken  
24    two traffic studies. I know those have been widely  
25    distributed. Of course we didn't distribute copy and

1 distribute all of the backup, the computer printouts  
2 which constitute phone books of material, but anyone  
3 who is interested in looking at those phone books  
4 worth of material are welcome to come to my office at  
5 any time.

6                   It illustrated that there will be an  
7 increase in traffic on weekdays but that increase in  
8 traffic will never, ever approach the amount of  
9 traffic that is generated by -- on weekends by summer  
10 residents as well as people visiting Sandy Hook.

11                   So, yes, there will be an increase in  
12 traffic. It will not occur at a time where traffic  
13 is now a problem.

14                   Did I fully answer your question? You  
15 asked about impact on recreation.

16                   MR. COLLINS: I asked about the  
17 percentage. Ten percent development.

18                   MR. WELLS: So we're talking about the  
19 land area of Fort Hancock is five percent of all of  
20 Sandy Hook. Within that area there is a hundred  
21 useful buildings, a hundred plus more other buildings  
22 that include all the batteries.

23                   Out of those hundred useful buildings, a  
24 third of them will be used. There is no land  
25 involved in that. It's strictly the building.



1                   If you take a third out of a fifth, I  
2   don't know what you get, but it's not a very large  
3   percentage of the property; and then you asked about  
4   impact on recreational uses. You know, I think  
5   fishing is a wonderful example because fishing, in  
6   the legislation that authorized Sandy Hook as part of  
7   Gateway National Recreation Area, it recognized that  
8   fishing is a unique recreational opportunity.

9                   Fishing -- providing fishing access is  
10   part of our mission. We will always do that. Having  
11   buildings -- having all of the building at Fort  
12   Hancock preserved for future generations and reused  
13   in productive ways will in no way impact fishing  
14   access. It simply not -- there is no connection.

15                  CONGRESSMAN PALLONE: Did you have  
16   another question?

17                  MR. WELLS: I could go on and answer  
18   every individual questions if you would like and I  
19   welcome -- I welcome anyone, any one all of you to  
20   come and talk to me any time you would like.

21                  MR. COLLINS: My question, and I'll just  
22   wrap it up quickly on this one, my question about the  
23   ten percent was merely to address the suggestion that  
24   we're only developing ten percent of this entire  
25   place and, therefore, by inference, hey, that's not

1   so bad. Think about. It's only ten percent. We've  
2   got 2000 acres here. It's only ten percent.

3                   My point was that ten percent may well  
4   constitute a 90 percent increase in everything around  
5   here including, you say, no interference with  
6   fishermen. Well, maybe the guy is trying to get to  
7   fish and there is a lot of traffic going back and  
8   forth. But enough of that.

9                   My last question. We have seen  
10   institutions like the Statue of Liberty, other  
11   institutions that have gone out and sought help from  
12   the private sector for restoration purposes,  
13   etcetera.

14                  In my town in Monmouth Beach, we have a  
15   cultural center which was previously a life saving  
16   station that the State was going to bulldoze down  
17   when they got done with the building; and just  
18   private citizens, through their own volunteerism,  
19   their own dollars and their own sweat, turned that  
20   into a magnificent -- and I invite everybody here who  
21   has not been down there, it's free to anybody to walk  
22   in. It's like the whole focus of the Park Service.  
23   It's there to be enjoyed by everybody no matter where  
24   you live. You don't have to come from Monmouth  
25   Beach.

1                   So I wonder, prior to the Park Service  
2     issuing the RFP, how much effort was expended by the  
3     Park Service in perhaps soliciting that kind of  
4     approach of to the rehabilitation of Sandy Hook?

5                   CONGRESSMAN PALLONE: Can you gentleman  
6     answer that?

7                   MR. MC INTOSH: I can only say that  
8     Superintendent Baylen (phonetic) who was here at the  
9     time that we developed the parameters for the RFP and  
10    issued the RFP spent several years working on the  
11    general question as to how to best solve the  
12    preservation problem at Sandy Hook. After his  
13    consultation with the Sandy Hook Foundation, his  
14    consultation with others in the Park Service and I  
15    know he talked extensively in the community, he chose  
16    the course that we supported the course he chose in  
17    terms of an RFP.

18                  MR. WELLS: I'd like to add to that, if  
19    I may, the lease, as has been said earlier, the lease  
20    is only one of the whole array of tools that Congress  
21    has provided to the Park Service in order to fulfill  
22    our mission to preserve these buildings; and at Sandy  
23    Hook and throughout Gateway, we use that full array  
24    of tools.

25                  During the same time period as the RFP,

1 we worked closely with and negotiated an agreement  
2 with the New Jersey Audubon Society. They restored  
3 house 20. It's now open as the Sandy Hook Bird  
4 Observatory.

5                   So, that's one example of how we have  
6 used that tool working with a nonprofit. Another  
7 excellent example is the project that is underway  
8 today. The Sandy Hook Foundation over, say, the last  
9 five years has raised nearly \$500,000 to restore the  
10 lighthouse keeper's quarters and is working closely  
11 with the New Jersey Lighthouse Society to develop the  
12 ground floor of that building as a lighthouse museum.  
13 That is fully donated money.

14                   Keep in mind that like the Statue of  
15 Liberty where I come from and the Sandy Hook  
16 Lighthouse, the oldest lighthouse in the nation,  
17 these are incredible marketing tools. These are  
18 really resources that are truly valued by the  
19 American people; and they are easy to raise money  
20 around, just as the Audubon Society's mission is easy  
21 to raise money around.

22                   It's not so easy to raise money around  
23 military -- military buildings, so we have had great  
24 successes in every area where that is possible; but  
25 those examples will never be enough to preserve the

1 landmark buildings at Fort Hancock.

2 MR. COLLINS: I want to thank  
3 Congressman Pallone for the opportunity to come up  
4 here and talk today and putting this forum on.  
5 Gentleman from the Park Service, thank you very much.

6 CONGRESSMAN PALLONE: Thank you very  
7 much. Thank you for your questions. They were very  
8 good.

9 Next we have Assemblyman Joe Azzolina.

10 MR. AZZOLINA: Mr. Congressman and staff  
11 of the Park Service, my history goes back to Sandy  
12 Hook to 1940 as a 14-year old kid. My father had a  
13 corner grocery store in the Highlands. The officer  
14 in charge of the (inaudible) city next to Seagull was  
15 a warrant officer and had a bunch of kids about my  
16 age. When he shopped there, he said to me, "How  
17 about coming out the Sandy Hook and play with my kids  
18 and see what's it's all about."

19 So I came out here. I stayed over night  
20 several times. In fact, we came here to the movie  
21 theater. I remember seeing all the soldiers here,  
22 all the housing filled up. The base was really  
23 loaded with a lot of men, a lot of families and I  
24 enjoyed the history that far back.

25 I loved it so much when I was 16 years

1 old, I lied. I said I was 17, which I wasn't, and I  
2 got a job with the Corps of Engineers to build  
3 Kingdom and Mills. I wanted the tough job of digging  
4 ditches and carrying steel so build my muscles for  
5 football. So I did all the dirty work. The guy  
6 said, "You're working too fast." You know, and so my  
7 history goes back that far. Of course then I went  
8 into the navy after that.

9                   And then over the years Sandy Hook  
10 closed and the soldiers all left; and I help  
11 establish the NJ ROTC here with Tom Gorman and a few  
12 other people. Got the Department of Education to  
13 okay the school there and now we have 300 students  
14 there.

15                   We have seen other buildings built at  
16 Sandy Hook. The J. Howard -- Congressman Howard, the  
17 building named after Congressman Howard and a few  
18 other buildings; and over the years, I said and that  
19 it had been to the San Francisco, what is that  
20 called, she called it the military base. I have been  
21 there before with the military years ago and later on  
22 I seen it and I said, Gee, why can't we do that at  
23 Sandy Hook?

24                   So, you know, the other day I walked  
25 along. I was here for the clam bake. I walked along

1 all these buildings along here. Unless you walk up  
2 close and walk to the buildings, they are just  
3 falling apart. And, you know, for years, why can't  
4 the park system do it? I always heard they did not  
5 have enough money. There is too many bases you have  
6 taken over in other park systems throughout the  
7 country; a lot of buildings deteriorating.

8                   And I said why can't we have a private  
9 public partnership here if that is the only way we  
10 can do it? There is nothing wrong with a private  
11 public partnership. That is the only way we can do  
12 it, I think a private person is nuts to try to do it.  
13 I wouldn't do it, but I think we ought to thank Mr.  
14 Wassel for wanting to do it.

15                   Because -- instead of fighting him, work  
16 it out. We have some people that fight everything  
17 and I know personally, I'm not going to mention any  
18 names. I have gone through it. Same thing is  
19 happening here. Let's not that happen here. Let's  
20 get it done and get it over with. We don't need more  
21 hearings. You probably went through a lot to do this  
22 job here. Let's get it done because we wait any  
23 longer, these buildings are not going to last.

24                   I'm at the coast guard station the other  
25 day through another outing with the Navy League. I

1 saw your maintenance facility. That is no great  
2 shape either. The building next to it says  
3 maintenance. That was falling apart, too. I don't  
4 know what you're going to do with that building.

5 But this has always been beautiful.  
6 These are the kind of bases they built back in the  
7 late 1800s and early 1900s. Let's preserve them.

8 Now, you answered a lot of questions I  
9 was going to have with the traffic and all that.  
10 Always used the anti's always use traffic, traffic.  
11 Well, when I came into legislature 38 years ago,  
12 there were 200,000 people in Monmouth County. Now  
13 there is over 600 and almost 50,000 or 25,000 people  
14 in Monmouth County. They encroached on me and my  
15 people that were here then. I'm not complaining  
16 about it. People have to go somewhere. They have to  
17 live somewhere. All we're doing is chasing people  
18 away.

19 I mean let's all learn to live together.  
20 We have learned to live together with other people.  
21 Yes, there is traffic an Route 36 in the summer.  
22 Yes, there is. But the rest of the year it's not  
23 that bad. Those people that are going to work here  
24 or live here, whatever they're going to do here  
25 business-wise or whatever, they'll probably come



1 early in the morning and leave late in the day  
2 anyway. Most of them come later on in the day.

3 So I say God bless Mr. Wassel. God  
4 bless you people and let's get this thing done with  
5 and stop fighting. Let's get it done with.

6 Thank you very much.

7 CONGRESSMAN PALLONE: Okay. No booing.  
8 Gregory -- I'm sorry. Mayor Harquail of Sea Bright.  
9 Gregory Harquail is next.

10 MR. AZZOLINA: Congressman,  
11 Superintendent, Gentlemen, for the record retired  
12 mayor. But my background is I was Chairman of the  
13 Sea Bright Zoning Board for 14 years; Chairman of the  
14 combined board of zoning and planning in Sea Bright  
15 for many, many years, eight or nine; and Mayor of Sea  
16 Bright for almost five and that should add up to  
17 about 32 years. I do have a little bit experience  
18 and obviously I'm a resident of Sea Bright.

19 In addition to that, I am a trustee on  
20 the Sandy Hook Foundation and I am also their  
21 chairman and also co-chair of the Sandy Hook  
22 Lighthouse Keeper's Cottage Rehabilitation Project.  
23 By the way, that is going very well and we have had a  
24 lot of delay because of the restraints and their  
25 requirements of the State Historic Preservation

1 Society; and just because it's a lighthouse, does not  
2 mean -- lighthouse keeper's cottage does not mean we  
3 get a special relief nor would Mr. Wassel or Sandy  
4 Hook Partners get any special relief. You have to  
5 toe the mark or they won't let you do the job.  
6 That's the bottom line.

7                   Congressman, I have a couple of  
8 questions to direct to you. I'm not picking on you,  
9 but I think you're the best person qualified to  
10 answer that.

11                   Do you anticipate in the near future  
12 that Congress appropriating any kind of money to  
13 rehabilitate all these homes and would set aside  
14 money to perpetuate their maintenance?

15                   CONGRESSMAN PALLONE: The short answer  
16 is no.

17                   MR. AZZOLINA: Thank you.

18                   Do you see Congress appropriating money  
19 when these buildings further deteriorate to tearing  
20 them down and making this area safe?

21                   CONGRESSMAN PALLONE: You know, I don't  
22 know the answer. I believe you're not allowed to  
23 tear them down. I think the answer to that is no  
24 also.

25                   MR. AZZOLINA: You spent a lot of time

1 with the, quote, Save Sandy Hook group and I'm  
2 approaching you in a lot of discussions back and  
3 fork. Have they ever offered to go out and raise  
4 money and put together a program to, quote, Save  
5 Sandy Hook or have they just raised some money to go  
6 out and put up banners and billboards that say Sandy  
7 Hook and not have a method to Save Sandy Hook?

8 CONGRESSMAN PALLONE: Well, I only went  
9 to one of their general meetings and actually at that  
10 meeting most of the discussion was about trying to  
11 set up a nonprofit that would take upon itself to  
12 restore the buildings, but the problem with that, and  
13 I'm not trying to be difficult about it, was that  
14 that was the purpose of that meeting that we were  
15 supposed to have with the Park Service which ended up  
16 being cancelled because the lease agreement was  
17 signed.

18 MR. AZZOLINA: Well, unfortunately this  
19 program has gone on for many years to try and quote  
20 Save Sandy Hook in whatever way various people here  
21 and many people here have great visions of what their  
22 thoughts are as saving Sandy Hook. But as I've spent  
23 maybe 35, 38 years in this area and I have come out  
24 here under the government owned, the state  
25 controlled and now back to the government as you

1 have, Congressman, and all we see is continuing decay  
2 except for some of these small factions masked and  
3 things that have been able to bring things forward.

4               The federal money is not there. The  
5 ideal scenario would be -- it would be great if  
6 Congress would just give us the money and we could  
7 get back and make them all historic structures but,  
8 unfortunately, there are not a lot of alternatives.

9               There is an alternative that you have  
10 come up with. Let's wait and maybe in a couple years  
11 we'll come up with another idea and maybe that will  
12 take another ten years to fruition. But  
13 unfortunately, these buildings will not wait as  
14 quoted by one of the residents in Sea Bright. One of  
15 the articles in the Press. That says "Delay breeds  
16 decay."

17              But to appreciate what is out here, I  
18 live on Ocean Avenue right near the entrance to the  
19 Hook and from time to time I drive by and I see the  
20 tremendous amount of school buses with boy scouts and  
21 girl scouts and all those kinds of people that come  
22 out here to see the historic value of Sandy Hook.  
23 Not the dilapidated buildings, not plywood, not  
24 windows falling out.

25              I just plead with you as a Congressman

1 to help us move this project forward because we  
2 desperately need to move it forward for both  
3 factions.

4 I'm not fighting those people that want  
5 to save Sandy Hook except they haven't got a program  
6 to save Sandy Hook. On the other side of the coin,  
7 the Park Service, through the foundation that is here  
8 to support their efforts, they do have a program now.  
9 They took five years to think about it. They took  
10 five years to get it into place and now they're -- if  
11 you don't help us, we're going to have another three  
12 or four years before it's going to be resolved and  
13 for what? There won't be anything left to work for.

14 So, I thank you very much for your time.  
15 I hope we can all get together and solve this issue.

16 CONGRESSMAN PALLONE: Thank you, Mayor.  
17 I just wanted to briefly say a couple things. I know  
18 the Mayor didn't really ask any specific questions  
19 beyond the ones that I answered, but, you know, part  
20 of the reason that I say I don't think it's likely  
21 that we're going to get the money is because as you  
22 know, the whole philosophy, and I'm going to try not  
23 to be too partisan, but the whole philosophy in  
24 Washington now, which is, you know, I have to be  
25 honest, reflected in who is in office.

1                   I mean I'm not going to get into  
2 democrat republican. We all know that who is in the  
3 majority in Congress and who the president is,  
4 they're very much in favor of privatization. We're  
5 seeing that manifest not only in national parks but  
6 with almost every aspect of public life.

7                   When I say to Mayor Harquail that it's  
8 unlikely that priorities move away from privatization  
9 towards more funding for the national parks, I mean  
10 the only way that would change is if there was a  
11 major change in who was elected which, you know, is  
12 not going to be easily accomplished and I guess we  
13 have to wait until after November 2nd to see.

14                  I feel that it's not likely that we  
15 going to see a major shift in the Congress where more  
16 people are going to be elected that are going to be  
17 against the privatization. You could theoretically  
18 change the law and not allow any of this to occur at  
19 all and simply say, you know, the Park Service is  
20 operated with public funds. There is no  
21 privatization.

22                  I would certainly be in favor of doing  
23 that, but I don't think we can muster a majority in  
24 the near future for that.

25                  The other thing I think I would say is

1   that whoever's fault it is, as we know, this has  
2   been -- this idea of privatizing or putting out  
3   proposals has been around for a long time. I think  
4   as time went on and people realized what was actually  
5   happening, there became more people that were willing  
6   to step up and say, look, this is not a good idea.  
7   Let's look at alternatives.

8                   So, I don't think -- you can say well,  
9   you know, a group, either an individual or group  
10  should have been looking at this five or ten years  
11  ago and not come here now. But the reality is it took  
12  some time for people to realize what the consequences  
13  were of the privatization; and now I think there is a  
14  lot of concern over the fact that it deal or  
15  ultimately lead to a lot of commercialization at  
16  Sandy Hook.

17                   There clearly was an effort not only by  
18  Save Sandy Hook but by other organizations to see if  
19  there was some way to put together a proposal that  
20  would avoid the privatization. Some may say it was  
21  too late.

22                   There were people who talked about  
23  getting the state or county involved in coming up  
24  with some funding as well. But part of concern was  
25  when we finally did want to have a meeting to

1 accomplish that, it was at the 11th hour and we  
2 didn't have that opportunity, so I don't want to cast  
3 dispersions on anybody. It certainly is not Rich's  
4 fault. He had set up the meeting.

5 But when the director decided to go  
6 ahead with the lease and we never had that meeting to  
7 discuss some of these alternatives, a lot of us were  
8 very upset and felt that that was inappropriate for  
9 the Park Service to do.

10 So one of the reasons that we had this  
11 meeting today is because we didn't have the  
12 opportunity to have that meeting before the lease was  
13 signed that we expected that we would have.

14 The next person is Betsy Barrett. We  
15 have husbands and wives exchanging here today. Okay.  
16 You're her friend? Okay. We'll take that.

17 A VOICE: My name is (inaudible) I both  
18 serve as trustees of the Sandy Hook Foundation and  
19 Mr. Harquail has mentioned he's chairman of the  
20 Foundation.

21 You acknowledged kindly to Mayor  
22 Harquail that there is no money forthcoming from the  
23 federal government.

24 CONGRESSMAN PALLONE: I should say one  
25 thing. Remember that we're talking about the 36



1 buildings that are part of the lease. Okay. I think  
2 everyone understands, I hope, and I think Richard has  
3 explained that as far as the other buildings are  
4 concerned, the Park Service continues to maintain  
5 them and we continue to get federal dollars and try  
6 to get more federal dollars every year.

7                   We have this whole vision for museum and  
8 interpretive center for the historical artifacts of  
9 Sandy Hook. All those things proceed. When we say  
10 there is no money, we don't mean there is no money.  
11 We mean that these 36 buildings that have been set  
12 aside of this proposal are not now the subject of any  
13 funds. But we are continuing to get money not only  
14 through the annual budget, but also through add ons  
15 that I get as part of the budget every year through  
16 Congress.

17                   A VOICE: Right. And I think we all  
18 appreciate.

19                   In terms of rehabbing the 36 buildings  
20 that we have been discussing, the money, the  
21 \$65 million estimate to accomplish that project will  
22 not be forthcoming from the Congress, and not to get  
23 too partisan, it was not forthcoming during the eight  
24 years of the Clinton administration either.

25                   CONGRESSMAN PALLONE: But it's getting

1 worse. Believe me.

2                   A VOICE: So, it's realty check time and  
3 there has got to be a solution to this decay you see  
4 around us. This theater, look up, the paint is  
5 coming off the ceiling. Look at the seat you're  
6 sitting in. It's held together many of them by  
7 masking tape.

8                   The Sandy Hook Foundation did do a  
9 substantial rehab to this particular theater. It  
10 includes a heating system, added some new lighting  
11 system. Not quite as much as Mrs. (Inaudible) needed  
12 but, indeed, we did it and we had also at the same  
13 time coupled with our mission of restoring the Sandy  
14 Hook Lighthouse Keeper's Cottage which is moving  
15 along at a pace and will be completed very soon.

16                   I am a member of more than just one  
17 nonprofit foundation. I will tell you that since  
18 9/11 and since the cratering of the stock market,  
19 nonprofit foundations are bleeding money. They are  
20 not taking money in. Donations have eroded.

21                   So when I hear counter suggestions to  
22 the Wassel proposal that some nonprofit foundation  
23 should step into the breach to restore these  
24 buildings, the real world is that the non-profits,  
25 many of them are in extremist right now when it comes

1 to raising money.

2                   It's not going to happen. The money is  
3 not out there to preserve these buildings through the  
4 nonprofit vehicle.

5                   I assume from the response that most of  
6 the questions -- most of the comments in this room  
7 that most of the folks here are in favor of the  
8 preservation of these buildings. I know that you are  
9 and I think that Mrs. Stanley and Judge Coleman are  
10 as well, but it is, again, time for a reality check.

11                   These buildings are going to come  
12 tumbling down; this one amongst them in due course.  
13 The Officers Club is on life support right now. It's  
14 almost DOA. It's got to happen and it's got to  
15 happen soon. There is the man sitting there that has  
16 brought a solution to a problem.

17                   And I would ask you, Congressman, to get  
18 behind the project and encourage it going forward by  
19 speaking publicly to the issue and recognizing that  
20 there is no alternative.

21                   I think perhaps I misheard you when you  
22 said a moment ago, I hope I did, that you would favor  
23 legislation that would preclude the public private  
24 partnership concept in national parks, but if that be  
25 so and there is no alternative and there is not, then

1 these buildings come down.

2 CONGRESSMAN PALLONE: I think I  
3 appreciate the questions that you raised; and let me  
4 just say a few things because I want to make it as  
5 clear as I can about where I stand on the issue.

6 I have a huge problem, and it's  
7 interesting, I'm not going to put these guys on the  
8 spot, but the very nature of people that join the  
9 park system are people who want to preserve national  
10 parks, preserve recreational, preserve the public  
11 opportunities to use the national parks; and I have  
12 to say it pains me a great deal to even have to  
13 listen to these guys or Richard Wells talk about real  
14 estate and square footage and market pricing, you  
15 know, as if they're like in the private real estate  
16 industry.

17 Philosophically, it seems to me that,  
18 you know, Richard doesn't -- I don't know what his  
19 background is but I'm sure he didn't come here  
20 because he wanted to be a real estate agent.

21 Philosophically, there is a huge problem  
22 with everything that we're discussing here because if  
23 it were up to me, I would take the money from the  
24 Defense Department and put it to the national parks.  
25 Okay?

1                   I mean it is not a very difficult thing  
2   for me to envision a scenario where I could come up  
3   with the money if I had the votes to give you the 100  
4   million or 60 million or whatever. I could easily  
5   find it with some bomb or something that I could find  
6   in the DOD budget, I mean, to be perfectly honest  
7   with you.

8                   What you're saying, the realty is,  
9   Congressman Pallone is, you know, you aren't going to  
10  be able to do that. We can go further and say your  
11  party isn't in the majority. Whatever rationale you  
12  want to give.

13                  The priority of putting the money here  
14  is not going to happen because that's not the realty  
15  of what we face given who is in charge in Washington.

16                  However, I do believe, you may think I'm  
17  naive in saying this, that if the opportunity  
18  presented itself, which it may not, because this  
19  lease has been signed and unless a court action or  
20  default on the part of Wassel results in it's being  
21  scrapped, the realty is it going to move forward. I  
22  believe if the opportunity presented itself now to  
23  come up with another kind of nonprofit government  
24  entity where we got, you know, the Federal  
25  Government, the state and maybe the county involved

1 with some sort of nonprofit entity, that we could, at  
2 this stage, come up with an alternative.

3 So I'm not going to, you know, say that  
4 you're correct. I don't agree with you. I think if  
5 it was possible at this late stage to scrap this  
6 proposal and move to a nonprofit with the help of  
7 various government funds, that we could come up with  
8 an alternative and avoid the commercialization.

9 But, you know, you may not agree with  
10 me, I don't expect you to, but that would be my  
11 vision. Not for anything, but didn't you speak  
12 already? We have such a long list.

13 A VOICE: I thought you were addressing  
14 me with your remarks.

15 CONGRESSMAN PALLONE: No. No. I'm not  
16 questioning anybody.

17 A VOICE: Let me just say --

18 CONGRESSMAN PALLONE: I can't let you  
19 speak. Then I have to let the other speakers. Let's  
20 move on. We'll go to the next person. You can't  
21 because you already had your chance. Okay. I'm  
22 going to pretend -- I'm going to answer your question  
23 without acting as if you asked it. You didn't ask  
24 it. I'll answer it but you did not ask it.

25 Mary Lou Strong is next. Come on up and

1 let me see if I can make a comment.

2 There are grant -- is Mary Lou here?

3 Come on up. Where is she? Oh, okay.

4 The answer is yes, there are grants that  
5 can be applied for, but I think this is a much  
6 larger thing. The only way you can come with an  
7 alternative here is if you had some major funds from  
8 not only the federal government but also the state  
9 and maybe the county with some sort of nonprofit  
10 foundation.

11 But we're not there. Well, okay. He's  
12 going to keep going. Mary Lou, would you please get  
13 up and speak? We have to go in order. All right.  
14 I'm going to go in order. Mary Lou, would you please  
15 begin.

16 MS. STRONG: Good afternoon. My name is  
17 Mary Lou Strong and I'm chairman of the Middletown  
18 Landmarks Commission. I live in Middletown. I'm a  
19 past president of the Monmouth County Historical  
20 Association and I also happen to serve ON the  
21 Middletown Planning Board. I sort of mention those  
22 things casually.

23 I'm here basically on behalf of the  
24 Landmark Commission to support wholeheartedly the  
25 rehabilitation and the adaptive reuse of Fort Hancock

1 proposed by the Park Service.

2 Many of you may not realize that Sandy  
3 Hook and Fort Hancock are part of Middletown.  
4 Because the Federal Government is a sovereign entity,  
5 it's not subject to our local regulations, however,  
6 it is the Commission's responsibility to work to  
7 protect the historic resources that are found in  
8 Middletown. So.

9 We have some major concerns and that is  
10 basically what my remarks are about. Since 1916 when  
11 it was founded the National Park Service has been  
12 changed by its mission to, quote, conserve the  
13 scenery and natural and historic objects and wildlife  
14 and to provide for the enjoyment of the same in such  
15 manner and by such means as will leave them  
16 unimpaired for the enjoyment of future generations.

17 But, the Park Service is not being  
18 supported by the Congress; and it's not a question of  
19 just this administration. It goes way back. It's  
20 really not a political thing.

21 The Park Service budget has been cut for  
22 several administrations by attendance has increased.  
23 Congressman Pallone, in an article in the Asbury Park  
24 Press which you wrote, you said there is no pot of  
25 money available at the time to accomplish the goal;



1 and the Landmark's Commission is very concerned about  
2 who is going to pay. The opponents want the  
3 buildings to disappear and that is illegal. Under  
4 section 110 of the National Historic Preservation Act  
5 of 1966, the Park Service has a legislative mandate  
6 to preserve and to use its historic resources.

7                   So where is the money coming from? In  
8 1980, Congress amended the National Historic  
9 Preservation Act to allow private sector funding  
10 through the historic leasing program. There are 263  
11 historic structure as Fort Hancock. The historic  
12 lease signed with Sandy Hook Partners for only 36 of  
13 the structures but includes the famous Officers Row.

14                   Congressman Pallone and you said in the  
15 same article, my position is that in order to restore  
16 most of the buildings at Fort Hancock, the Park  
17 Service needs private funding.

18                   We are concerned that opponents have  
19 made an effort to -- have not made an effort, that's  
20 the problem. They have made no effort to understand  
21 how the historic leasing program works.

22                   It is not about commercialization.  
23 Unfortunately, this has been made into a bad word.  
24 It is about adaptive reuse or finding new uses for  
25 old buildings and it's happening all over the world.

1                   Now, I have lost my place. Yes. What  
2 would the face of France, England and Italy look like  
3 if the people had not continually found new uses for  
4 their older structures? Rehabilitating these  
5 buildings is part of the Park Service's core mission.  
6 We are concerned the opponents don't get it.

7                   The truth is that no new constructions  
8 or additions are allowed. The largest share of space  
9 will be used for marine science, education and  
10 research activities already of the Hook. The NPS  
11 most approve all tenants and ownership and control  
12 will always rest with the federal government.

13                  We are very concerned that the opponents  
14 only mission is to cause the demise of this national  
15 historic landmark which is illegal. We are very  
16 concerned about their negative tactics of delay,  
17 misinformation and now a lawsuit which have been  
18 aimed at blocking investor support of the Sandy Hook  
19 Partners. We are concerned about the critical  
20 condition of the buildings.

21                  We can't understand the people who say  
22 the hook has no history. It's time the put our  
23 energies to constructive uses before we have the  
24 unthinkable loss of America's heritage right here in  
25 our own backyard. Thank you for your interest.

1                   CONGRESSMAN PALLONE: Thank you Mary  
2 Lou. Thank you Mary Lou. The next speaker is Ron  
3 Emerick. He had to leave? Then I have Mike Huber  
4 next. Michael Huber.

5                   MR. HUBER: My name is Michael Huber. I  
6 live in Locust.

7                   Congressman Pallone, you have known that  
8 the National Park Service planned to rehabilitate and  
9 adaptively reuse the buildings at Fort Hancock for a  
10 number of years. And in 1996, you advocated  
11 rehabilitating and using the buildings in much the  
12 same way as is proposed now in a federal and private  
13 partnership that is now being proposed by the Sandy  
14 Hook Partners and the National Park Service.

15                  But seems to me that the present  
16 National Park Service Sandy Hook Partner's plan is  
17 less intensive and should provide much more public  
18 benefit than what you had proposed in 1996.

19                  It's been said that the Park Service is  
20 underfunded for capital projects; that the  
21 income -- that the outset of this present  
22 administration there were \$4 billion in unfunded  
23 capital projects in the Park Service and it's up to  
24 \$5.1 billion now.

25                  In view of the budget deficits that are

1 facing the nation in the years ahead, it seems highly  
2 unlikely that these funds are going to be forthcoming  
3 and, therefore, the type of a federal private  
4 partnership that you're talking about and that you  
5 mentioned today as being desirable seems highly  
6 unlikely and perhaps impossible under today's  
7 conditions.

8                   Many of the questions that have been  
9 raised here today were asked and addressed at the  
10 earlier public process. Perhaps you feel that you're  
11 providing a public service by holding this meeting  
12 today, however, I just want to find out if it's just  
13 electrician year political posturing or a desire for  
14 publicity that causes you to raise a fuss at this  
15 late date about the agreement that has been  
16 negotiated between the National Park Service and  
17 Sandy Hook Partners?

18                   CONGRESSMAN PALLONE: You know, I don't  
19 know what to say. I mean, I think that I've had  
20 literally thousands of people who signed petitions,  
21 written to me, called me and asked that we have more  
22 public forums. I guess you can say any public forum  
23 is political in a sense at any time, but I think I  
24 have an obligation to respond when people say that  
25 they want to have a public forum and they want to ask

1 questions and, frankly, this has been the only  
2 opportunity that the public has had since the lease  
3 was signed to ask questions about the lease.

4 I know Richard has said that people can  
5 come and meet with him privately, but I don't think  
6 it's possible for him to meet with everybody, so this  
7 is just basically a response to the public and, you  
8 know, that we have an opportunity to have the Park  
9 Service here and answer questions; and I've been  
10 trying as much as possible today to make it questions  
11 of the Park Service rather than just whether you're  
12 for or against the proposal. I'm not stopping  
13 anybody from talking about the proposal. The purpose  
14 primarily was to ask them questions.

15 MR. HUBER: Well, if that's the purpose,  
16 I appreciate it. However, the public hearings that  
17 were held previously gave the public the opportunity  
18 to ask this kind of question and I think many of them  
19 were addressed.

20 CONGRESSMAN PALLONE: No. You're  
21 certainly right, Mike. The bottom line is that this  
22 is the first time we have had an opportunity since  
23 the lease was signed, and I think that is the  
24 difference.

25 MR. HUBER: Okay.

1                   CONGRESSMAN PALLONE: The next person is  
2 Lee Rossbach.

3                   MR. ROSSBACH: My name is Lee Rossbach.  
4 I live in Long Branch.

5                   I'd like to point out that prior to the  
6 decommissioning Fort Hancock in 1968, I was appointed  
7 as a trustee of the Fort Hancock Museum which was  
8 then housed in the old jail and is the forerunner of  
9 a museum that is there now.

10                  For the past 12 years, I worked for the  
11 New Jersey Marine Sciences Consortium as a field  
12 guide and I am presently a trustee of the Long Branch  
13 Historical Museum which is restoring the Church of  
14 the Present. I think I have had some experience out  
15 here at Sandy Hook and also with rehabilitation.

16                  The one thing that I can't understand is  
17 that people don't seem to make a distinction between  
18 restoration of historic structures and  
19 commercialization. For example, take the mule barn.  
20 Restoration would be leaving it at as a mule barn,  
21 rehabilitating the stables. Maybe they can find some  
22 old carts that the mules used to pull and put them in  
23 there with some exhibits. That is restoration. To  
24 make it into a Mule Barn Bar and Grill as is planned,  
25 is not. It's pure commercialization.

1                   They are going to have neon lights up  
2   there. Come to the Mule Barn Bar and Grill and some  
3   people would probably love to go there. It's not  
4   restoration.

5                   It seems to me it's almost impossible to  
6   get so-called desired tenants that you people are  
7   talking about, educational facilities. The New  
8   Jersey Marine Sciences Consortium, which I work for  
9   already, has a large building here and the Audubon  
10   Society has one. Clean Ocean Action has one. The  
11   Literal Society has one. Brookdale has one. The  
12   Mast has one. So how many other environmental  
13   entities are there that are going to come rushing out  
14   here to take these 36 buildings? I.

15                  Know they boast about the fact that  
16   Rutgers is coming out. That's wonderful. That's one  
17   building. I can't picture very many more educational  
18   buildings coming out here.

19                  The only thing I can picture is  
20   commercial entities. Maybe they're only going to be  
21   (inaudible). Hopefully they are not retail stores.  
22   But even these commercial buildings, they're not  
23   going to be open to the public. The people that have  
24   these offices, they don't want public peering into  
25   their windows and the people who lease these

1 buildings from the Sandy Hook Partners are going to  
2 need parking for their employees to work there.  
3 There is not going to be parking for any public. I  
4 don't see anything public about it.

5 As far as the bed and breakfasts are  
6 concerned, I don't believe that is going to work out  
7 either because these buildings are very small. They  
8 were for one officer's family. So there is three or  
9 four bedrooms in there. If the person who runs the  
10 bed and breakfast takes one bedroom, there doesn't  
11 leave enough other bedrooms to make it commercially  
12 feasible.

13 So when these things go busted and your  
14 educational people don't come out here, we're going  
15 to have real commercialization. I don't care what  
16 you say. That's what it is going to be.

17 (Tape 2, Side 2)

18 A VOICE: We're ready to move on. We're  
19 educational users. We're going to start with space  
20 in one building and we see that expanding in the  
21 future.

22 CONGRESSMAN PALLONE: Thank you very  
23 much. We appreciate it.

24 Next is Jim Wassel.

25 MR. WASSEL: Good afternoon,



1 Congressman, and I wanted to thank you personally for  
2 taking your time to making this public meeting  
3 available for everybody to hear it. I thought my  
4 time would best be used by answering some questions  
5 that were directed that because we're so intimately  
6 involved here.

7 First off, a question that -- none of  
8 these are new answers. We have been answering these  
9 questions for almost five years now.

10 Richard was correct today when he  
11 mentioned that with the response to proposal, we did  
12 tell the National Park that we needed to create a new  
13 entity because I have my operating partners who come  
14 out here every day and working towards the execution  
15 of this deal that I needed to include.

16 So Sandy Hook Partners is -- we've been  
17 very, very public about this, is made up of three  
18 entities and one of those entities is Wassel Realty  
19 Group as the general partner. The second entity is  
20 my operating partners who have been with me  
21 throughout this entire endeavor, and then the third  
22 entity will be the equity that we bring in to fulfill  
23 the needs of the financial structuring.

24 Secondly, I would like to make a  
25 comment, I guess, about there has been many, many

1     comments relating to things that were in the RFP and  
2     things that were in the lease. The RFP was a bidding  
3     document and every one of one of us, all 22 or 26 of  
4     us, I don't remember the exact number to tell you the  
5     truth, that participated in the bidding for the RFP,  
6     participated on fair ground.

7                     There was nothing changed during the RFP  
8     process that benefited anybody. Everybody  
9     participated with the same information, with the same  
10    document.

11                    That is a very different than a lease.  
12    The lease was negotiated and to answer one of the  
13    Judge Coleman's questions why it took so long,  
14    because it was a very involved lease negotiation.  
15    There was a lot of conversations and horse trading  
16    that went on in terms of what building a national  
17    park wanted and what building we were interested and  
18    why we were interested and back and forth. That's  
19    what letter to the lease document.

20                    In terms of the question about 49 years  
21    and 60 years, and maybe as it relates to Clearwater,  
22    I think it's easy to understand the Clearwater  
23    question that if they were going to do one building,  
24    the economics that would be involved in renovating  
25    one building are vastly different than the economics

1 necessary to renovate 36 buildings, including  
2 infrastructure that has to be improved to make those  
3 buildings and this whole campus operate correctly;  
4 and, therefore, when we got in through that  
5 negotiation and we understood the demand by the  
6 National Park to upgrade the electric, put it  
7 underground, increase the technology in terms of  
8 communications technology, we actually requested a  
9 99-year lease which is a customary lease in public  
10 private partnerships. Thaniel Hall Marketplace,  
11 South Street Seaport, Union Station Washington, Grand  
12 Central Station are all public private partnerships  
13 operating under 99 year leases.

14                   We were told and we accepted that the  
15 Department of Interior is only allowed to do 60-year  
16 leases and we accepted that.

17                   Next, the privatization issue has been  
18 one that I think the opposition has been hiding  
19 around, quite frankly, for a very, very long time.  
20 We do not operate and the operation -- we do not  
21 operate any land here. Will not operate any land  
22 here. The National Park is not going to change their  
23 operations when we're here.

24                   The park is always open up to the  
25 public. The buildings are not open to the public

1 now. They're all boarded up. They're dangerous.  
2 The money needs to go into these buildings so they  
3 can be made available for the uses and then they will  
4 be available to the public.

5 In our plan, more than 50 percent of the  
6 buildings will be made available to the public for  
7 their uses.

8 Now, I think a definition of what public  
9 is needs to be addressed because, like your office,  
10 Congressman, people can't walk into your office and  
11 go sit down if they're walking through Long Branch  
12 and go sit down in your office and have a glass of  
13 water. But your lobby --

14 CONGRESSMAN PALLONE: Unfortunately,  
15 that is true. Actually people do that.

16 MR. WASSEL: But as it relates to other  
17 buildings in the community and in terms of they're  
18 open to the public, these buildings will be open up  
19 to the public.

20 I do want to make one comment in that  
21 would -- the opposite what you said before. The  
22 Preserve America Initiative, which was signed by  
23 President Bush last March 4th, was actually an  
24 initiative started by the Clinton administration to  
25 create public private partnerships in our national

1 parks. So it is a bipartisan issue.

2 Now, how it's being dealt with, I know  
3 you're going to reach --

4 CONGRESSMAN PALLONE: I'm only going to  
5 tell you that I -- there are a lot of things that I  
6 didn't agree with with President Clinton. He wanted  
7 to privatize a lot of things, too, in a way I didn't  
8 support, but whatever. You continue.

9 MR. WASSEL: In terms of the phasing of  
10 the project, in our proposal to the national park, we  
11 proposed phasing of the project for a couple of  
12 reasons.

13 One, this is an operating property as it  
14 is now with the national park, with the coast guard,  
15 with Mast and the Marine Science Consortium and Noah.  
16 If we were to take all 36 buildings down and  
17 rehabilitation at one time, we would create such a  
18 chaos here that would be unmanageable. That is point  
19 number one. These are the exact points I made in  
20 Philadelphia at my presentation, by the way.

21 Two, as we phase the project, we're  
22 going to learn a lot about these building,s and I  
23 know there has been a lot of conversation about what  
24 the number is. I have had a lot of conversations  
25 with the local reporters when they asked a lot of

1 questions about could it be this and could it be that  
2 and it was through those conversations, quite  
3 frankly, that it ever got to \$90 -- \$90 million. We  
4 have always been around the 60 to 75 million. We  
5 think with contingency, it's going to be around  
6 \$75 million.

7 But we're going to learn a lot about  
8 these buildings as we get into them and phase them.

9 The third reason you phase projects like  
10 this is we're going to learn a lot of interesting  
11 users that are going to come out to us, other  
12 educational institutions, all those uses will fit  
13 into the approved uses of the lease, by the way,  
14 which is a very tight, and I implore you to please  
15 read ten point one of our lease because it is very,  
16 very clear the things that we can and can't do there.

17 We cannot -- if we fail, we fail. We  
18 finish the development of the buildings in that  
19 existing phase and we give them to the national park  
20 and they have accomplished their number one  
21 objective; rehabilitating the buildings. So there is  
22 no down side for the national park here. We will  
23 finish the buildings. We give them to them. We go  
24 home.

25 We don't think we're going to fail,

1 obviously.

2 CONGRESSMAN PALLONE: Jim, can I just  
3 ask you one thing?

4 MR. WASSEL: Please do.

5 CONGRESSMAN PALLONE: Maybe it will be  
6 better for Richard to answer this. Up to you guys.  
7 But the whole issue of the -- a lot of information  
8 has been asked by the opponents, and I don't like to  
9 use that term but by individuals about the  
10 financing --

11 MR. WASSEL: Yup.

12 CONGRESSMAN PALLONE: -- the use of the  
13 building. One of the things that I guess is in the  
14 Asbury Park Press here is, what do they say, "Who  
15 will be the tenants in the first phase of the project  
16 and who will finance the building restorations? What  
17 assurances has the Park Service given its current  
18 leaseholders, primarily educational institutions  
19 providing a variety of programs that they will be  
20 allowed to remain in their present buildings?"

21 In other words, specifically those  
22 questions, but sort of the larger issue of when are  
23 we going to find out, at least I guess for the first  
24 phase, who the tenants will be, who is financing the  
25 restoration; and there still seems to be some concern

1 about those who are providing services, you know,  
2 programs that enrich thousands of school children, if  
3 they're going to be allowed to remain in their  
4 present buildings. Those are the only -- those are  
5 the last two questions in that editorial that we  
6 didn't get to today, Richard.

7 MR. WASSEL: If you would, Congressman.  
8 Let me take a shot at them and then I'll get off. I  
9 do want to touch on one more thing about information.

10 Number one, the existing tenants that  
11 are out here are not our tenants. That's been like a  
12 hockey puck, one of those things that has been kicked  
13 around a lot. They are not our tenants. We are not  
14 taking over their buildings. They will remain  
15 tenants of the national park.

16 Their negotiations, the economics  
17 between them are between them and the national park.  
18 I don't know what they are.

19 CONGRESSMAN PALLONE: They're not part  
20 of the 36. Right? But to what extent is there an  
21 issue with them then in terms of their future,  
22 Richard? I understand they're not part of what Jim's  
23 proposal is but there seems to be some concern about  
24 their future and what negotiations are going on with  
25 them.



1                   MR. WELLS:   All of our current partners  
2   are under a variety of forms of agreement.  I'll  
3   provide it for us in law.  We -- some of them, they  
4   vary in length.  The Noah agreement was legislated.  
5   The Noah and the New Jersey Department of Treasury  
6   are certainly not going anywhere.

7                   We're currently negotiating a long term  
8   lease with the New Jersey Marine Science Consortium  
9   and we're on the verge of a lease with the American  
10  Literal Society.  We already have a 20-year agreement  
11  with the Audubon Society.

12                  We've made every effort and I continue  
13  throughout our administration of the park and all of  
14  our day-to-day dealings with our cooperators to  
15  assure them in every way, that they are valued  
16  tenants; that they contribute, each and every one of  
17  them, to the mission of National Park Service; that  
18  we are happy that they're here, that -- if we have  
19  anything to do with it, they're not going anywhere.

20                  CONGRESSMAN PALLONE:  What about the  
21  other question, Jim, when -- who will the tenants be  
22  in the first phase?  Who will be financing the  
23  restoration?  When is that information going to be  
24  available?  It continues to be said well at some  
25  point it's going to be made available.

1                   MR. WASSEL: Absolutely. Congressman,  
2 due to the emotion, I should say, that this project  
3 has drawn and during negotiations, we are negotiating  
4 with a variety of users that prefer until we signed a  
5 lease to keep their name confidential. They did not  
6 want to be either badgered or approached by the press  
7 or by opposition and things.

8                   So we have guaranteed them when we  
9 close, when we sign leases and when we close  
10 financing, then we will make all of that public; and  
11 we have been very aggressive about that with them.  
12 Everybody will be made public.

13                  There is nothing, I will say this, there  
14 is nobody that will either be a user here or that  
15 will finance or be an equity partner in this project  
16 that, Congressman, you don't know or the public  
17 doesn't know.

18                  CONGRESSMAN PALLONE: Is there a time  
19 line, though?

20                  MR. WASSEL: Absolutely.

21                  CONGRESSMAN PALLONE: What is that?

22                  MR. WASSEL: We have to have all that  
23 put to bed by the end of this year.

24                  CONGRESSMAN PALLONE: So, in other  
25 words, if you meet your financial commitments

1 pursuant to the lease by December 31, it's after that  
2 that you would provide this information. Not before.

3 MR. WASSEL: Right. If we do close any  
4 of them before, we will announce them as we close.  
5 We are moving towards.

6 And I want to explain the financing  
7 because it's, again, one of the most misunderstood  
8 areas. When we submitted RFP, we submitted a letter  
9 from a lending institution that said, "Provided the  
10 lease according to as we know it would be executed,  
11 we would be very, very interested and committed to  
12 this project." All right.

13 As you know, Congressman, you have been  
14 involved in a lot of different projects in Long  
15 Branch and things, nobody at the RFP stage is going  
16 to have money put aside in a bank. Because there is  
17 a lot of open issues and contingencies that had to be  
18 met prior to that.

19 When we met our evidence of financing on  
20 June 30th of this year, we went building by building  
21 in our package and presented to the national park how  
22 the equity and how the debt would be structured for  
23 each individual user and building. And with that, we  
24 met their criteria for evidence of financing.

25 Now, I think there was an example used

1 before by Richard. It's a very fitting example.  
2 That would be like us getting our commitment from the  
3 bank when we finance our house. Now we're going  
4 through the due diligence stage. Their first  
5 contingency was do you have a master lease signed?  
6 We signed the master lease.

7 Secondly, do you have subleases signed  
8 with the tenants? We are work going towards signing  
9 those subleases with the tenants now.

10 Are there approved plans done? We are  
11 working to get the approved plans done.

12 Is there any environmental issues? We  
13 are working through any environmental issues now.

14 So all those contingencies are currently  
15 being worked out. When they are worked out, they  
16 will finalize -- we'll go to close and we'll start  
17 our work. So we are in that due diligence stage now.

18 CONGRESSMAN PALLONE: Okay. Thanks.

19 MR. WASSEL: I have two more things that  
20 I did want to touch on. The question about why don't  
21 the not profit -- not for profits just go to the  
22 National Park? There is a lot more involved than  
23 just non-profits coming here and taking tenancy and  
24 doing some tenant work.

25 There is the show work of the building.

1     There is the upgrades and the infrastructure. All  
2     these issues are issues that are -- that need to be  
3     done in a development. Not just tenant work in a  
4     particular building.

5                     When Rutgers was interested potentially  
6     in pitching the RFP to the National Park, they had as  
7     part of their proposal nearly 58,000 square feet of  
8     use. That included classroom space. That included  
9     lecture halls. That included dormitories. That  
10    included a cafeteria. That included lab space. That  
11    included meeting space; and we said to them, why  
12    would you go out and spend money on doing conference  
13    space, meeting space, dormitory space and food  
14    services when you could -- you don't use them all the  
15    time and it would be a higher and best use if you  
16    allowed us to provide those services to you?

17                    So, part of our business plan is  
18    providing services to a variety of users, probably 20  
19    or 25 users that don't need those kinds of services  
20    or spaces on a regular basis, and it saves -- it's  
21    higher and best use and saves them a tremendous  
22    amount of money. This idea of non-profits coming is  
23    economically it just doesn't work. It doesn't work  
24    for the campus.

25                    Next, I want to mention that all the

1 services that we're bringing here, all the  
2 infrastructure we are bringing here and upgraded  
3 electric, gas, upgraded technology is going to be  
4 offered to everybody in the park. Every existing  
5 tenant, the National Park, the coast guard, we're  
6 going to deliver it to their door. We're not going  
7 to profit at all from that. So everybody gets the  
8 experience of upgrading their facilities.

9                   Lastly, I do want to mention  
10 information. There has been a lot said in the  
11 newspapers and a lot said by our opposition about  
12 information. And people like Mary Lou Strong and  
13 people like Mike and Carolyn Huber were not easy  
14 people to convince to come and endorse our project.

15                   Mike Huber came to me at one of the open  
16 houses that the National Park ran and said, "Hi, I'm  
17 Mike Huber. I have a lot of questions about your  
18 project." And I said, "Mr. Huber, I would love you  
19 to endorse my project." He said, "If you answer my  
20 questions, I will endorse your project."

21                   And Mike came do high office on three  
22 separate occasions probably for a total of six or  
23 seven hours and I walked through our business plan.  
24 I worked through our use plan. I worked through how  
25 we were going to finance the project; and Mike said,

1 "I like this plan."

2 Now, our opposition, and I think you  
3 know this, Congressman, because I mentioned this to  
4 you before, we had made more than a dozen requests to  
5 sit down with our opposition to discuss this project  
6 because they constantly use misinformation in the  
7 paper about our plan, about what we're doing.

8 I wanted to mentioned and I think it's  
9 important for the public to know, that the  
10 responsible people in the community have come to us  
11 and we are batting one thousand. Those people that  
12 have come to us and we shared our plan with have  
13 endorsed our plan. Thank you very much.

14 CONGRESSMAN PALLONE: Okay. Thank you.  
15 I let -- I wanted Jim to have some extra time because  
16 he is the -- you know, the lease -- what is it? The  
17 lessee. But, again, please let's not try to  
18 characterize one side or the other as responsible or  
19 irresponsible if we can. I appreciate if we can  
20 avoid that.

21 We have now more speakers. We're going  
22 to have to keep moving along here. We have like 20  
23 speakers left.

24 Next is Don Dyck. Again, if we could  
25 make -- if it's possible to be more in terms of

1 questions.

2 MR. DYCK: I'm going to be very short.  
3 My name is Donald Dyck. I'm a resident of  
4 Middletown. Been using these facilities out here at  
5 Sandy Hook for probably 40 or 50 years going back to  
6 steam clams and digging them to recently with  
7 grandchildren.

8 Questions are two: My experience is  
9 professional in this area. I have been involved in  
10 projects much larger than these that are public  
11 private partnerships in Great Britain for over 20  
12 years. So this is not a big project, actually. I've  
13 been involved in ones that are 3,000 acres and ones  
14 that are communities that are half the size of  
15 Monmouth County.

16 There are some shortfalls here. But one  
17 question is how many public hearings were there prior  
18 to the signing of this lease?

19 CONGRESSMAN PALLONE: I think there were  
20 six.

21 MR. WELLS: There were actually  
22 six -- three public hearings on the environment  
23 assessment and then there was one public hearing on  
24 the second traffic study. So there have been four.

25 MR. DYCK: Four. How well advertised



1     were those and how well attended were they and who  
2     attended them?

3                     MR. WELLS:  They were very well  
4     attended.

5                     MR. DYCK:  They were well attended?

6                     MR. WELLS:  Like today.

7                     MR. DYCK:  As well as today?

8                     MR. WELLS:  Yes.

9                     MR. DYCK:  Second question would be  
10    looking forward to the future.  I'm assuming this is  
11    a project that is probably going to go forward.  It  
12    probably needs to go forward because all the things  
13    that have been brought up.  If it's going to be done,  
14    State of New Jersey couldn't afford to do it.  
15    Middletown couldn't afford to do it.  Non-profits  
16    probably couldn't afford to do it.

17                    There is some tools and techniques that  
18    have been brought to bear here to make it happen  
19    through the tax credits and through a lot of other  
20    practical artifacts to bring it -- to make it  
21    practical.

22                    How is it going to be administered going  
23    forward?  Who is it that handles the administration  
24    of the lease and what body, what talent is looking at  
25    monitoring the progress of this and whether Sandy

1 Hook Partners is meeting the terms and whether the  
2 administration is in accordance with what people have  
3 expressed here as being the public idea of what Park  
4 Service is supposed to do? What group is going to be  
5 doing that?

6 MR. HOLLENBERG: The response to that is  
7 multiple. First of all, the agreement -- the  
8 principal parties to the agreement will be Mr. Wassel  
9 and the superintendent here at Sandy Hook. So, that  
10 will be the face-to-face relationship and that will  
11 be called -- that is called in the lease.

12 The park will administer the lease. The  
13 park will be supported in administering that lease  
14 through various aspects of support either in the park  
15 or in the regional office. One part of that support  
16 will be the compliance with the preservation  
17 standards that would be required for the  
18 rehabilitation. That will be managed here in the  
19 park as well as staff and the regional office will  
20 participate in the review and consultations with the  
21 state and advisory council.

22 We have a business office, if you want  
23 to call it that, in Philadelphia that deals with our  
24 leases and our concessions; the park concessions.  
25 Some of the financial side of the contracts and they

1 will participate with the park.

2 Overall, it will be the superintendent  
3 who will manage that process but he'll have resources  
4 at the park and the regional office to call on in the  
5 various aspects of administering that lease.

6 And last but not least is obviously is  
7 the legal counsel that we have available to us  
8 through the Department of Interior.

9 MR. DYCK: : Legal counsel, so the  
10 superintendent, present superintendent or his  
11 successors, since this is going on through 60 years,  
12 what are the legal facilities that are available to  
13 the superintendent if he is administering the lease?  
14 Where are they and who are they? I don't mean who  
15 specifically.

16 MR. HOLLENBERG: The Department of the  
17 Interior has the Office of the Solicitor. The Office  
18 of Solicitor is obviously headquartered in  
19 Washington. There are regional offices throughout  
20 the country. The regional office for this region is  
21 located in Newton, Massachusetts.

22 MR. DYCK: Those are my questions.

23 MR. WELLS: I know his office phone  
24 number by heart. I have his phone and cell phone.

25 CONGRESSMAN PALLONE: I appreciate your

1 questions.

2 MR. DYCK: I'm encouraged by the last  
3 gentleman who spoke. Sounds like he has his head  
4 screwed on right which is encouraging. The project  
5 does not appear to have a lot of public confidence.  
6 That is a problem for the Park Service. It's a  
7 problem for you representatives and it's something  
8 that the government needs to look in because the Park  
9 Service is reporting actually to Congress to the  
10 public.

11 There appear to be shortfalls. Maybe  
12 less than I had thought. I certainly looked over a  
13 course of months of trying to get information. It's  
14 very difficult to get. That's my profession is to do  
15 that. It's quite quiet and I understand the reason  
16 sometimes that that is okay and it's good. It does  
17 not create confidence. I appreciate --

18 CONGRESSMAN PALLONE: I agree. Without  
19 casting dispersions, I think part of problem from the  
20 beginning has been the procedure and the fact that  
21 even though we had public hearings, people have asked  
22 things and have not been able to get answers. I  
23 don't know who the blame for that but it's definitely  
24 true. Thank you.

25 MR. DYCK: It's difficult when you don't

1 know who you your constituency is. In this case it's  
2 hard to know who the constituency is as opposed to  
3 industrial or other kinds of projects of this sort  
4 where the constituency is known. Its present tenants  
5 or whatever it is. When its users who come in for  
6 recreation, it's hard to find the constituency. But  
7 that's not being dealt well with in the use of these  
8 techniques within the park system.

9                   Congressman PALLONE: I agree. Part of  
10 the reason is because the Park Service is not  
11 normally in the business of leasing buildings and  
12 putting out proposals.

13                   MR. DYCK: That is exactly the problem.

14                   CONGRESSMAN PALLONE: I agree. Okay.  
15 Next is Elaine Anderson. Is she still here? Elaine  
16 Anderson has left. Jennifer Francis has left or  
17 still here? Patricia -- oh, Patricia O'Such and then  
18 Peter. You don't have to come together. Let's start  
19 with Patricia and Peter O'Such next.

20                   MS. O'SUCH: Good afternoon. I have  
21 changed what I was going to say several times, but I  
22 just will start with a little quote from the August  
23 17th Asbury Park Press 125th anniversary special  
24 edition. A little preamble.

25                   "In the 1930s the Asbury Park Press

1 first proposed Sandy Hook as a national seashore  
2 park. In 1967, one of the Asbury Park Press's  
3 editorials suggested that the Federal Government  
4 assume ownership of both the Army's 400 acres and New  
5 Jersey 741 acres and combine the parcels into a  
6 national park."

7                   The editorial argues that the move would  
8 insure the property would never fall into private  
9 hands and would make the park a haven for bathers and  
10 finishmen. We, you and me, have paid dearly for this  
11 land to be held for us, our children and our  
12 children's children. My grandchildren deserve this  
13 land for recreation now, not 60 years from now.

14                   It should not be under direction of a  
15 private developer. It should be freely assessable  
16 for all time. It must be held in trust for us, the  
17 people; not developers.

18                   Now, I have some questions. Mr.  
19 Pallone, representative Pallone, we were recently in  
20 your office and a question came up that I would like  
21 the rest of the people to know the answer to.

22                   CONGRESSMAN PALLONE: You were not one  
23 of those people that walked down the street --

24                   MS. O'SUCH: No. We had an  
25 appointment. Is it required by law to rehabilitate

1 the buildings? You had that conversation with  
2 Jessica Leonard.

3 CONGRESSMAN PALLONE: Generally speaking  
4 my understanding is yes. I don't know the details.

5 MR. DYCK: That's thought the  
6 conversation that you had. Jessica told you it is  
7 not required by law. I believe we have had several  
8 witnesses to that effect.

9 CONGRESSMAN PALLONE: Wait a minute.  
10 Don't move on. You're saying that Park Service is  
11 not obligated --

12 MR. DYCK: It is not required by law to  
13 rehabilitate the buildings. If they do begin, it  
14 must be done in a specific way. It is not required  
15 by law that they do so.

16 A VOICE: Been in violation for 30  
17 years.

18 CONGRESSMAN PALLONE: Oh, I see. Look,  
19 I'm only guessing but having been in Congress for 16  
20 years, I suspect that this is one of those cases  
21 where the authorizing language says you have to do  
22 something but the money is never appropriated to do  
23 it so they don't do it. You have a lot of situations  
24 like that.

25 MS. O'SUCH: When we were in your

1 office, there were several of us, you had your  
2 speaker known on with Jessica Leonard in direct  
3 contract with you. You asked her the question in at  
4 least two different ways and she told you very  
5 specifically that they did not have to be  
6 rehabilitated under the law.

7 CONGRESSMAN PALLONE: But the one thing  
8 I would say regardless is this, you know, there are  
9 many situations where Congress mandates that  
10 something be done but doesn't appropriate the money  
11 to do it, unfortunately. Regardless of, you know,  
12 what the law.

13 A VOICE: Preserve.

14 CONGRESSMAN PALLONE: The bottom line if  
15 they're not given the money, they're not going to do  
16 it. But maybe that is not what you're getting at.

17 MS. O'SUCH: I want to go on. I have a  
18 question, isn't there phraseology in the RFP or the  
19 lease that states in regard to the developer's  
20 changing needs, that his request cannot be  
21 unreasonably denied or delayed?

22 MR. WELLS: That is true but the  
23 parameters within which that question is asked and  
24 answered are established in the lease in terms of the  
25 percentages of square footage that can be used for



1 purposes that is laid out in the lease.

2 MS. O'SUCH: Excuse me, sir, I need to  
3 know are you specifically a procurement or a legal  
4 expert or I think I heard you say you were an  
5 architect specialist.

6 MR. WELLS: My colleague to my right is  
7 the architect.

8 MS. O'SUCH: Are you a procurement  
9 specialist?

10 MR. WELLS: No. I'm not a procurement  
11 specialist. I have been in park management for the  
12 last 30 years.

13 MS. O'SUCH: I really regret that the  
14 Park Service or the Department of Interior did not  
15 send someone who could really address these questions  
16 to us since these are very pertinent questions that  
17 we have. I would like to go on.

18 MR. WELLS: In response to your  
19 statement, this is not a procurement.

20 MS. O'SUCH: I think since I worked for  
21 the U.S. Government for seven years in procurement, I  
22 think this fully classifies as a procurement.

23 MR. WELLS: That matter has been  
24 reviewed by the inspector general of the Department  
25 of Interior and my understanding of that result is

1    this is not a procurement and the process that we  
2    followed was the appropriate process under the law  
3    that provided the provision that we could lease  
4    properties.

5                   MS. O'SUCH:  Why did you have a request  
6    for proposals if it was not a procurement?

7                   MR. WELLS:  Well, call it what you will.  
8    How do you --

9                   MS. O'SUCH:  It was at a legal  
10   determination, sir.

11                  MR. WELLS:  But it's not under the  
12   procurement authorities.  It's under the leasing  
13   authorities.

14                  MS. O'SUCH:  Why was the programmatic  
15   agreement put out for comment with a redacted draft  
16   lease number five rather than the actual lease?  Any  
17   comments made in response to the programmatic  
18   agreement were not relevant since the actual lease  
19   was not available for the public to comment on.

20                  The pragmatic agreement was put out for  
21   public comment and there has been lament expressed  
22   that few people responded to it, however, the  
23   document that was put out for review by the public  
24   and comment asked for related to a -- made specific  
25   comment to the lease.

1           The only lease that was available at  
2   that time was find draft lease number five; and in  
3   order to make an appropriate and realistic response  
4   to the programmatic agreement that was put out, you  
5   needed to see the real lease. That made the whole  
6   issue irrelevant.

7           I have another question.

8           MR. WELLS: Please allow me to address  
9   one question at a time.

10          CONGRESSMAN PALLONE: Let him answer  
11   that.

12          MR. WELLS: The draft programmatic  
13   agreement, which would be amongst the National Park  
14   Service, the Advisory Council and Historic  
15   Preservation, the State Historic Preservation Office  
16   and the designated lessee will prescribe treatment  
17   standards about -- of the buildings and define ways  
18   to insure that any kind of adverse effect, potential  
19   adverse effect, and there will be none because the  
20   law prescribes that, will be avoided, minimized or  
21   mitigated.

22          The portions of the draft lease that  
23   were redacted were simply about the dollars of rent  
24   paid to the Park which has absolutely nothing to do  
25   with the treatment standards, how the buildings are

1 going to be rehabilitated. They're totally  
2 unrelated.

3 MS. O'SUCH: I hear what you're saying,  
4 sir, but since most of the draft lease that was  
5 presented was redacted, I find it difficult to  
6 believe that all the information related shall lead  
7 to money.

8 I have another question. You talk about  
9 no new construction. Is construction of a semi,  
10 quote, unquote, new consideration allowed on old  
11 footprints?

12 CONGRESSMAN PALLONE: That was one of  
13 the questions that was in the Asbury Park Press, too.  
14 Does the lease agreement allow the developer to put  
15 up new construction on the footprints of buildings  
16 that have been allowed to deteriorate?

17 MR. WELLS: The purpose of the lease is  
18 to preserve existing landmark buildings. And that's  
19 it. The lessee must rehabilitate the existing  
20 buildings and only those buildings.

21 The lease provides that if for one  
22 reason or another, say, a lightening strike or a  
23 fire, and you know that there have been many  
24 buildings at Fort Hancock lost to fire, that it would  
25 be entirely at the discretion of the National Park

1 Service that a building could be built on that site  
2 still conforming with the Secretary of Interior  
3 standards for historic preservation.

4 MS. O'SUCH: So the answer is yes, you  
5 can do new construction.

6 CONGRESSMAN PALLONE: Let him finish.

7 MR. WELLS: My answer is that if a  
8 building is destroyed, it's entirely up to the Park  
9 Service, not the lessee. It's at the sole discretion  
10 of the Park Service as to whether that building could  
11 be rebuilt.

12 But any reconstruction there, I think  
13 the James J. Howard Marine Laboratory is an  
14 extraordinary example of an in fill building that  
15 reflects the historic buildings adjacent to it. Any  
16 building that was to replace an existing building,  
17 according to the Secretary of Standards, must be the  
18 same in its height and its volume in its materials  
19 and its colors.

20 If the National Park Service, you know,  
21 at some point in the future, agreed to allow a  
22 building that was destroyed to be rebuilt, it would  
23 have to be in complete accord with the existing  
24 buildings. There is no possibility that some monster  
25 high-rise building can be built here. Simply no

1 possibility, and the State Historic Preservation  
2 Office and our legislators and you our constituents  
3 would not allow that.

4 MS. O'SUCH: But in effect you have said  
5 that they could rebuild?

6 MR. WELLS: Yes.

7 MS. O'SUCH: All right. I HAVE, you  
8 know, this current issue of the New Jersey Monthly  
9 Magazine and I have heard a lot of, you know,  
10 different quotes being mainly back and forth about  
11 people and whatever; and I hope this will be taken in  
12 the right vein. It is on page one. I think it's  
13 112. The quote is, "If this could be made  
14 residential, we could all retire, Wassel says." That  
15 scares me. Thank you.

16 CONGRESSMAN PALLONE: Thank you. Thank  
17 you, Patricia. Peter O'Such is next.

18 MR. O'SUCH: Good afternoon. Initially  
19 when I was preparing my little presentation to speak  
20 to the august body we have before us, I initially was  
21 going to say that for the last two-and-a-half years I  
22 have attempted to comment upon and to demonstrate to  
23 the National Park Service why their procurement,  
24 which I hear of late is not a procurement, has  
25 fatally flawed and defected.

1                   I initially started to abandon my  
2   approach to go back to the procurement, like I said,  
3   which I have been railing against for the last  
4   two-and-a-half years.

5                   CONGRESSMAN PALLONE: Peter, could you  
6   explain the significance of the procurement and the  
7   use of that term? I know Patricia and he had a  
8   dialog. I don't understand the significance of it.

9                   MR. O'SUCH: Okay. I believe I can  
10   lead up to that Congressman by stating when I  
11   initially commented and took on the contracting  
12   officer who headed this up, I believe his name was  
13   Adlerstein, Mr. Adlerstein stated, hey, you know,  
14   those regulations don't apply and the regulations  
15   that I was utilizing were the FAR; the Federal  
16   Acquisition Regulations which govern 99 percent of  
17   the procurements that the Federal Government does  
18   conduct.

19                  I later learned by virtue of a  
20   September 11, 2003, it only took a year and a half  
21   for the Department of Interior, inspector general  
22   Leonard Wenies (phonetic) to write back to me and  
23   explain that, Mr. O'Such, you're absolutely correct.  
24   The federal acquisition regulations have not been  
25   adhered to.

1                   That doesn't matter because we are not  
2   governed by those procurement regulations. We are  
3   governed by the historic leasing regulations which  
4   are 36 CFR part 18.

5                   Maybe because I'm stupid or hard headed,  
6   I went back and got copies of those particular  
7   regulations. Those particular regulations, though  
8   less specific and less detailed, dovetail exactly  
9   with the FAR regulations. They seek to provide a  
10  level playing field and equal treatment of all  
11  offerors. Something that it still I believe and have  
12  been told is in vogue in the Federal Government  
13  procurement process. And that is what I have been  
14  railing against.

15                  As a matter of fact, after transcribing  
16  my concerns, which I think came out to be an  
17  enumerated 13 or 14, I resubmitted them to the  
18  Department of the Interior inspector general and they  
19  still remain unanswered. They dismissed the initial  
20  comments because they said the FAR does not apply.  
21  But when I reapplied them with the Historic Leasing  
22  Authority, 36 CFR part 18, those have not been  
23  responded to.

24                  I will apologize for jumping out of my  
25  seat back here when one of the two gentleman from



1 Philadelphia stated that when negotiations took place  
2 and, you know, I apologize because I have here in  
3 that September 11th letter from the Department of  
4 Interior inspector general signed by David Montoya  
5 (phonetic) the assistant inspector general, they  
6 paraphrase -- my question was, why aren't the offers  
7 being revisited and reverified and possibly updated  
8 by offerors? How often do you have an RFP that is  
9 open for four-and-a-half years?

10 Respond provided, this is their word,  
11 periodically reopening negotiations would be contrary  
12 to the RFP's evaluation and selection process which  
13 stated it is the intention of the National Park  
14 Service to select a lessee or lessees from the  
15 proposals made without further submittals or  
16 presentations. The same section also stated, quote,  
17 written submissions will likely be considered by the  
18 National Park Service as their full and final  
19 proposal in response to the request for proposals,  
20 end of quote.

21 Further revisiting the proposals in the  
22 manner suggested by me, where I said why didn't you  
23 guys reopen nego -- why didn't you initiate  
24 negotiations? They say, "Further revisiting the  
25 proposals in the manner suggested is not a customary

1 business practice and one that would compromise the  
2 competitive process."

3 CONGRESSMAN PALLONE: Peter, I don't  
4 understand the significant of it.

5 MR. O'SUCH: The significance is these  
6 gentlemen said they negotiated. And in the RFP,  
7 which is the contractual document that offered this  
8 to one and all comers, they, in effect, said they  
9 were not going to negotiate. They speak it from both  
10 sides of their mouth.

11 Also, you stated that a performance bond  
12 was required. I have copies of both the lease which  
13 you signed which I contend is not an effective lease  
14 given that it could be nullified abonitio at any time  
15 by the Department of Interior; and also you preclude  
16 Mr. Wassel from recording his leasehold rights, so  
17 what does he have?

18 In addition, you said that a performance  
19 bond was required. I have a copy of the RFP. I have  
20 a copy of the subsequent July 9, 2004 lease. Nary do  
21 I see the word "performance bond" listed therein.

22 CONGRESSMAN PALLONE: Do you want to  
23 comment?

24 MR. O'SUCH: Did you not say  
25 performance bond?

1                   A VOICE:    I believe what I said, sir,  
2   was a performance bond and all other appropriate  
3   bonds that would be part of the construction project  
4   (inaudible).

5                   MR. O'SUCH:   Apparently, they're still  
6   not required?

7                   CONGRESSMAN PALLONE:   Hold on a second.  
8   Can I just -- Peter, before you go on, and I know we  
9   got to move along here, did you want to comment on  
10   any of these statements, Dave?  Nothing to say?

11                  MR. O'SUCH:   Also, since there is a  
12   void here as to input, how come Sandy Hook Gateway  
13   National was not considered for possibly a national  
14   learning center?  Why are our brethren on the other  
15   side of the bite considered a national learning  
16   center where federal funding is available?

17                  I understand the reference given or the  
18   basis was we didn't want to dilute the pot of funds  
19   available.  Given that you have 11 others planned for  
20   the future, why didn't we have a national learning  
21   center here as a possible solution instead of the  
22   privatization and commercialization of Sandy Hook?  
23   Why want that given a possibility?

24                  You have real life research going on  
25   right here today.  It's not something that you have

1 to manufacture. It exists. Why could you not  
2 augment that?

3 CONGRESSMAN PALLONE: Is that precluded?

4 MR. WELLS: It's not precluded, but not  
5 to -- I guess the best way to summarize it is that is  
6 somewhat of a false promise because of all those  
7 learning centers that have been established and  
8 recognized at the national level, the order of  
9 funding that's been provided to them is about 200,  
10 \$250,000 a year.

11 MR. O'SUCH: That is more than we have  
12 gotten for boarding up or putting screens over  
13 chimneys so the raccoons don't set up residence in  
14 these buildings.

15 MR. WELLS: The significant ongoing  
16 purpose of that money is not for preservation. It's  
17 for education and learning.

18 MR. O'SUCH: I presume classrooms would  
19 be included in that. What better way if a building  
20 is rehabilitated to have a classroom or a learning  
21 center there that's not privately controlled? Is it  
22 acting or has it finally been made permanent?

23 MR. WELLS: It is acting.

24 MR. O'SUCH: That was not mentioned.

25 MR. WELLS: As you rightly point out,

1   there is real life education research going on here  
2   at Sandy Hook right now. Sandy Hook is a national  
3   learning center.

4                   The funds that are available are small  
5   amount of money, and when you refer to funds going to  
6   a learning center on the other side of the bite,  
7   you're talking about another unit.

8                   MR. O'SUCH: Jamaica Bay.

9                   MR. WELLS: Where there is presently no  
10   learning center. Sandy Hook is rich --

11                  MR. O'SUCH: Why dilute -- if the  
12   solution we don't want to dilute the pot of funds,  
13   why separate them on two --

14                  (Note: Tape 3)

15                  MR. O'SUCH: ...nothing else and to show  
16   once again I'm chasing falsehoods as relayed to me by  
17   members of National Park Service, does not Mr. Wassel  
18   and whoever the contractor is who may ultimately get  
19   this, and I don't take it as a foregone conclusion,  
20   because for two-and-a-half years I've been fighting  
21   this from a procurement standpoint and I'd believe  
22   it's ultimate -- none are so blind as those who will  
23   not see.

24                  Hopefully, when we go into federal  
25   court, you know, it will be not the National Park

1 Service controlling the arena and hopefully we'll get  
2 a fair shake there, but the parking that is  
3 associated with the buildings, does not the lease  
4 provide that if the lessor so chooses, he may control  
5 those parking spaces with gates so as the hoy polloy  
6 would not be allowed to utilize those parking spaces  
7 when the actual tenants choose to use them?

8 MR. WELLS: The National Oceanic and  
9 Atmospheric Administration and the James J. Howard  
10 Marine Laboratory control their parking spaces. Is  
11 that different?

12 MR. O'SUCH: They're a not for profit.

13 MR. WELLS: They're actually a research  
14 governmental entity.

15 MR. O'SUCH: Yes. But they are  
16 not-for-profit organization. That's the  
17 differentiation that I'm choosing to make here.

18 CONGRESSMAN PALLONE: All right. Peter,  
19 thanks a lot. We appreciate it. We have to move on.

20 MR. O'SUCH: I have another letter to  
21 go back under one of your cover letters to Mr.  
22 Davaney, the inspector general.

23 CONGRESSMAN PALLONE: Thank you. Carol  
24 Balmer.

25 MS. BALMER: Carol Balmer. A resident

1 of Holmdel Township, former deputy mayor,  
2 environmental commission chairman, planning board  
3 member. I'm currently zoning board vice chair. I'm  
4 also member of the Bay Shore Sewage Authority and  
5 corresponding secretary for Save Sandy Hook but I'm  
6 speaking on behalf of myself only today.

7                   A lot has gone on. A lot of my  
8 questions were answered. I think my major concern  
9 has always been that there are a lot of meetings that  
10 have been held by the Park Service, and I thank  
11 Congressman Pallone for this opportunity for another  
12 meeting, but there have not been any hearings. It's  
13 been a misnomer.

14                   They refer to these meetings as  
15 hearings. A hearing is duly noticed as published,  
16 conforms with the local laws, confirms with the state  
17 laws, confirms with the federal laws. The Park  
18 Service has contended that public meetings are not  
19 required but yet in their own historic lease  
20 agreement and other documents they put out they said  
21 they wanted to comply or basically they have to  
22 comply with local, to quote, historic preservation  
23 goals section of the request for proposal for leasing  
24 of historic Fort Hancock properties indicates that  
25 conformance with zoning, building, fire, electrical

1 and plumbing codes in the State of New Jersey,  
2 Monmouth County is compulsory.

3 Under that is New Jersey Municipal Land  
4 Use Law for public hearing. I sat next to a  
5 professional hired by Mr. Wassel. I believe it's his  
6 architect, and he was saying oh, you know, what?  
7 Save Sandy Hook, they won't talk to us. We have no  
8 obligation to talk to them. Our problem is not with  
9 the developer. It's with the process that has been  
10 going on.

11 We have had no public hearings.  
12 Therefore, there have been no public transcripts.  
13 There have been no public comments that are actually  
14 recorded as transcripts. I would like to know where  
15 are the transcripts and minutes from the last  
16 meetings? Can anybody answer me on that?

17 CONGRESSMAN PALLONE: Carol, I'm going  
18 to ask Richard to talk about the Park Service  
19 hearings. As far as I'm concerned, I can't have a  
20 public hearing.

21 MS. BALMER: No. I realize that.

22 CONGRESSMAN PALLONE: That's why it's  
23 informal today. I'm not in the majority so I don't  
24 have the authority to have any public meeting.

25 Richard, you can talk.



1                   MR. WELLS: The transcripts are  
2 available at any time. They're in my office. I  
3 believe, although, you know, time has passed, that  
4 the transcripts have been made available to the  
5 media. You're certainly welcome to them.

6                   MS. BALMER: Are they verbatim  
7 transcripts.

8                   MR. WELLS: Absolutely just as you're  
9 being recorded today and this will be transcribed as  
10 well.

11                  MS. BALMER: I was not aware of that.  
12 Still goes to the point of lack of public hearing  
13 process. The professional I was sitting next to  
14 before earlier in the evening said well, as I said  
15 they have not approached us. There is no dialogue  
16 between Save Sandy Hook and them.

17                  There shouldn't be. This should be an  
18 objective situation. It's not about the developer.  
19 The same situation occurs as why hasn't the Park  
20 Service gone to Middletown Planning Board for an  
21 actual application process? Yes, they contend they  
22 are above the law, the local law, but in their own  
23 documents they have to comply and conform with these  
24 laws.

25                  If there had been a better public

1 hearing process duly noticed public hearings, if you  
2 had gone to the Middletown Planning Board, you may  
3 not even be in this situation today. There would be  
4 further understanding of what you actually intend.

5                   Whether you are for or against this, at  
6 least the disclosure would be there. There would be  
7 less suspicion. Would not look so suspect; and what  
8 I would like to know is why have you not approached  
9 the Middletown Planning Board for an actual hearing  
10 at the Middletown Planning Board level?

11                   MR. WELLS: As you know, as you note,  
12 the intent is to comply with the local law. The  
13 jurisdiction does not have the authority to provide  
14 us the permit and, therefore, we follow the local  
15 provisions if they're greater than ours, and we don't  
16 have -- we don't go to hearings at political  
17 subdivisions of the state unless were authorized to  
18 do so as we are with the Historic Preservation Act,  
19 not necessarily for a hearing but we are required by  
20 that law to consult with the state historic  
21 preservation officers.

22                   Our intent is to comply but we don't go  
23 through the compliance process of the local  
24 government and the hearing process. We have our own  
25 public process that we have had over the course of

1    this project with respect to the plan through the  
2    environment assessments and the traffic study and  
3    through the National Historic Preservation Act. We  
4    will be having a meeting some time in October with  
5    respect to the preservation requirements of this  
6    lease.

7                   MS. BALMER: Will it be a meeting or a  
8    hearing?

9                   MR. WELLS: It will be a consultation  
10   meeting. It will be a meeting. It will be up to the  
11   advisory council as to whether or not a formal  
12   hearing will be conducted.

13                  MS. BALMER: A public hearing?

14                  MR. WELLS: A format public hearing.

15                  MS. BALMER: You still did not, I  
16   believe, did not answer my questions why you did not  
17   go to the Middletown Planning Board. According to  
18   your own documents and your own request for proposal  
19   for leasing of historic Fort Hancock, it indicates  
20   that you should conform with all the laws of the  
21   local entities. That would be to have a public  
22   hearing at the local municipal planning board level.

23                  So why didn't you? You say you're not  
24   allowed to or you don't want to or because you don't  
25   have to?

1                   MR. MC INTOSH:   My recollection is that  
2   we briefed them on our plans and intent here but we  
3   didn't have them or join with them in a public  
4   hearing because of the -- because of our intent is to  
5   comply with the local provisions, but...

6                   MS. BALMER:   You but didn't.

7                   MR. WELLS:   But we don't get permitted  
8   by the local authorities.

9                   MS. BALMER:   Well, according to this are  
10   you do get permitted by local authority.

11                  CONGRESSMAN PALLONE:   Carol.

12                  MS. BALMER:   Let me just recite a couple  
13   of examples.

14                  CONGRESSMAN PALLONE:   Seems what they're  
15   saying, I think what they're saying, if they want to  
16   contradict me, they can, is that they're not required  
17   to go before the Middletown Planning Board because  
18   they are, you know --

19                  MS. BALMER:   Supreme power.

20                  CONGRESSMAN PALLONE:   So they're not  
21   going to do it if they don't have to.

22                  MS. BALMER:   But the point is in their  
23   own words, Congressman, they said that they have to  
24   conform to the local ordinances.

25                  CONGRESSMAN PALLONE:   But I think what

1     that means is they have to conform in what they think  
2     they're going to conform. You can't come in and say  
3     they're not conforming.

4                   MS. BALMER: So it's a matter of  
5     interpretation?

6                   CONGRESSMAN PALLONE: I suppose.

7                   MS. BALMER: Even though it's written in  
8     their own documents.

9                   MR. WELLS: Ms. Balmer, I would be happy  
10    to address your concerns.

11                   MS. BALMER: Yes, please. Okay.

12                   MR. WELLS: We have held four public  
13    meetings under the terms of the National  
14    Environmental Policy Act. Each of those public  
15    meetings was noticed as is provided for in the act.

16                   More than two weeks after documents have  
17    been available, less than two weeks before the  
18    comment period closes, they were paid advertisements  
19    in local media; in press releases given to the media,  
20    widely distributed information as is required under  
21    the law.

22                   I was invited by the Monmouth County  
23    Planning Board Transportation Council to make a  
24    presentation, which I gladly did. I have never been  
25    invited by the Monmouth County Planning Board to make

1 a presentation. And, furthermore, we want to do the  
2 best job possible in communicating about this project  
3 and would be happy and welcome every opportunity to  
4 talk to the public about our plans to preserve Fort  
5 Hancock.

6 CONGRESSMAN PALLONE: Carol, it's pretty  
7 clear to me from what they're saying they're not  
8 required -- they don't believe they're required to  
9 come under Middletown's jurisdiction. Whether that  
10 is true or not. I don't know.

11 MS. BALMER: I would suggest that you  
12 read your own document and check on that because I  
13 believe that is one of the things that might hold up  
14 in court if it ever gets to court.

15 CONGRESSMAN PALLONE: Why don't you ask  
16 one more thing.

17 MS. BALMER: Two more questions, please.  
18 I'm confused on exactly how many buildings are going  
19 to be under this jurisdiction. It says 36 buildings  
20 but accordingly in your own document I believe you  
21 refer to in the Fonzie of a hundred buildings that  
22 are possible that would fall under the same  
23 jurisdiction and same qualifications for an RFP and  
24 development?

25 MR. WELLS: There are a hundred useful

1 buildings in Fort Hancock. 20 those are currently  
2 used by park partners. 44 of them are currently used  
3 by the National Park Service for operations, public  
4 museum, employee housing. 36 of those buildings were  
5 made available under the historic leasing program.

6                   There is a provision in the lease that  
7 says that the National Park Service may at its sole  
8 discretion and own will add buildings to the lease  
9 without further competition. We also have legal  
10 authority to enter into noncompetitive lease  
11 agreements with nonprofit institutions that support  
12 the mission of the park.

13                   So we, again, take advantage of every  
14 legal avenue to fulfill our mission of preserving  
15 those buildings.

16                   The accusation has been that there may  
17 be as many as 78 buildings that are leased. What  
18 that implies is that the National Park Service would  
19 leave Sandy Hook; and Congress told us to come here.  
20 We're not leaving Sandy Hook until Congress tells us  
21 to go away.

22                   MS. BALMER: There is nothing to say  
23 they wouldn't tell you that if all the billings are  
24 leased to a commercial developer?

25                   MR. WELLS: All buildings simply won't

1 be leased to a commercial developer.

2 MR. O'SUCH: Okay. The MPS proposes to  
3 rehabilitate 36 Fort Hancock structures under the  
4 lease of Sandy Hook Partners. All right? Goes on to  
5 say the provisions of the environmental assessment,  
6 which was done beyond the 36 buildings, such as  
7 treatment standards applied to all 263 structures  
8 contributing to the significance of the national  
9 landmark.

10 It then goes on to say, as such, the  
11 alternative and rehabilitative alternative both apply  
12 to all historic structures in the area proposed  
13 action. Potentially there are 263 buildings that  
14 could be used under this action according to this,  
15 your Fonzie. Which means you could have a Monmouth  
16 Mall out here some day. Not that you would under  
17 historic preservation thing, but I'm just saying that  
18 that leaves the door wide open for much more  
19 expansive use.

20 CONGRESSMAN PALLONE: Just to follow-up  
21 because I know that what Carol said is going to be  
22 very significant. This is going to be a big thing.  
23 Tell me in terms of the additional buildings, what I  
24 gathered from what you said is that you could turn  
25 over additional buildings to Wassel. It's at your



1   sole discretion? What would be the process for that?  
2   Is there anything set out about how that would be  
3   done or how you go about that? Because I mean this  
4   is going to be a major issue. I had not heard this  
5   before. This is -- I can see the potential.

6                   MR. WELLS: The purpose of adding that  
7   clause was to enable the Park Service to offer to  
8   preserve buildings that we could no longer care for  
9   without going through the additional competitive  
10  process. But since that time, we have also been  
11  authorized, with the new leasing regulations to enter  
12  into noncompetitive agreements with nonprofit  
13  institutions to support the mission of the park.

14                   So it's -- we, again, use the full array  
15  of tools available to us just as we entered into a  
16  noncompetitive agreement with the New Jersey Audubon  
17  Society who agreed to operate a museum open to the  
18  public six days a week which fully supports the  
19  mission of park. That is clearly our intent.

20                   CONGRESSMAN PALLONE: I guess what I'm  
21  saying, let's say you were not here and there was  
22  another superintendent five years from now and Wassel  
23  was the lessee. Is it totally at the discretion of  
24  the Park Service to just add more buildings or do  
25  they have to go through any process or anything?

1                   MR. WELLS: The lease provides that any  
2 future activities or changes are required to conform  
3 to all laws and regulations, support the mission of  
4 the park, and have no adverse effect on the  
5 environment, no negative impact on the environment,  
6 no adverse effect on the cultural resource.

7                   So the terms under which the National  
8 Park Service would make those decisions are clearly  
9 prescribed.

10                  MS. BALMER: Two more questions.

11                  CONGRESSMAN PALLONE: Carol, you had  
12 two.

13                  MS. BALMER: I'm sorry.

14                  CONGRESSMAN PALLONE: We have to move  
15 on, Carol. I'm sorry. I know you have been asking  
16 good questions. It's getting so late. I'll give you  
17 one more.

18                  MS. BALMER: One more. Okay. You  
19 mentioned there are -- acting Superintendent Wells,  
20 you mentioned there were transcripts available which  
21 I assume that Fonzie based a lot their response on,  
22 right, from the transcript of these meetings?

23                  MR. WELLS: Correct. Response to the  
24 public comments from the review process were widely  
25 distributed and at one point posted on our web site

1 and can be --

2 MR. O'SUCH: I've been quoting from the  
3 Fonzie. Also I noticed some errors. I was wondering  
4 if there is going to be, since some of these errors  
5 have been pointed out at subsequent meetings,  
6 corrections to these errors.

7 Example, one of these meetings before  
8 the Fonzie was finalized, I handed in over 1500  
9 signatures of objectors to this process and also to  
10 the application. But yet the Fonzie reports that  
11 only three oppose the plan on one date and that only  
12 six oppose the plan on the other date; and there is a  
13 summary in here, too, which I think is a little bit  
14 off as well especially since there was 1500  
15 signatures on the petition. That was just petitions.  
16 That was not even letters.

17 The summary was there that were 15  
18 people that opposed the plan. Now, there is  
19 something wrong with this picture. If you're talking  
20 it from the transcripts, if this Fonzie was based on  
21 those transcripts, there is something definitely  
22 wrong with that picture.

23 CONGRESSMAN PALLONE: All right. We  
24 have to move on.

25 MS. BALMER: I would like that corrected

1 or at least looked into or responded to. Thank you.

2 CONGRESSMAN PALLONE: All right. Thanks  
3 a lot. I did not really understand that.

4 MS. BALMER: I didn't either. That's  
5 why I asked.

6 A VOICE: People said they didn't want  
7 it and they reported 15 in the Fonzie. It's that  
8 bad. They somehow missed 1485.

9 MR. WELLS: The Fonzie identified that a  
10 petition was received. Actually, I think, Ms.  
11 Balmer, you gave me on two separate occasions you  
12 gave me sets of signatures for the petition. The  
13 second set actually included signatures from the  
14 first set and --

15 CONGRESSMAN PALLONE: We're going to  
16 keep going here. I'm just so confused. Is this that  
17 important, Carol?

18 MS. BALMER: I think it is. It points  
19 to the fact there is inaccuracies and  
20 misrepresentations in the Fonzie.

21 CONGRESSMAN PALLONE: I'll tell you  
22 what, give us a call. Give me a call.

23 MS. BALMER: I'd be happy.

24 CONGRESSMAN PALLONE: I'll look into it  
25 more. I don't really understand it. I really don't.

1 YOU talk to us further about it and we'll talk to  
2 Richard.

3 MS. BALMER: Thanks.

4 CONGRESSMAN PALLONE: Next is Steve  
5 Szeleck. Is it a question or what is it?

6 A VOICE: Series of questions and  
7 comments. It's only this long.

8 CONGRESSMAN PALLONE: Go ahead.

9 (Note: This is someone reading.)

10 A VOICE: "If this project is truly  
11 about historic preservation and restoration, then how  
12 do you reconcile the modifications to the interior  
13 and exterior of the buildings that will be necessary  
14 for the uses that you propose; the restaurants  
15 conference facilities, pubs, beds and breakfast,  
16 lodging, office space? The features such as  
17 commercial air conditioning, fire escapes, ladders,  
18 safety lighting, wheelchair ramps guarantee these  
19 buildings will not be restored in the technical sense  
20 of the word but rather will appear on the inside and  
21 outside like modern buildings with some historic  
22 characteristics."

23 How about if I just read it and you can  
24 respond to the questions.

25 "Will the visitors to Fort Hancock after

1 this project is completed feel the experience of the  
2 Fort as it was when it was in use as a fort?  
3 Moreover, isn't it to achieve that experience why the  
4 fort may be worth restoring at all?

5 "The NPS, National Park Service's  
6 directors order number 47 states, 'natural sound  
7 scapes are clearly identified as a natural resource  
8 to be protected and direction is given to park  
9 managers to incorporate protection and management of  
10 sound scapes into their management programs equal to  
11 other park resources and values.' Do you think this  
12 order is being considered in this project when you  
13 realize the noise from many commercial air  
14 conditioning units will fill the area in and around  
15 the fort? The noise from air conditioning units is  
16 not like the sound from the human voice. It is a  
17 particularly unnatural and penetrating sound which  
18 would negatively impact the acoustical environment on  
19 Sandy Hook for visitors and wildlife alike.

20 "The environmental assessment that was  
21 prepared for this project mentions the word "noise"  
22 only twice in a broad sense and simply dismisses it  
23 as a concern. Potential sources of noise are not  
24 even discussed.

25 "Why is the that Fort Columbia in

1 Washington State, an almost identical installation to  
2 Fort Hancock built also as a military coastal defense  
3 facility has been preserved, restored and protected  
4 without a private developer's involvement? Why  
5 should that be when New Jersey is the richest state  
6 in the union and the most millionaires and the most  
7 densely populated state and the most -- and is in the  
8 most need for open non-commercialized space  
9 particularly along the shore.

10 "New Jersey pays a disproportionately  
11 large amount in taxes to the federal treasury but  
12 sees the reverse in terms of monies returned in  
13 programs. As seen with the inadequate funding  
14 provided for Sandy Hook over the years.

15 CONGRESSMAN PALLONE: All right. I have  
16 to tell everybody we're going to have to end at six.  
17 We're going to try to end at six. We're going to  
18 move quicker here. Go ahead. Did you want to  
19 answer? So many questions. Did you want to say  
20 anything?

21 MR. HOLLENBERG: Let me take a stab at  
22 the first question. Again, I have talked maybe too  
23 much today about the investment tax credits for  
24 certified historic rehabilitation, and that's an  
25 important distinction. The word is "rehabilitation"

1 not restoration. The word as defined in the  
2 governing standards that will be applied to every  
3 square inch of the fabric of these building and every  
4 review of every square inch of drawings will be the  
5 Secretary of the Interior standards for historic  
6 rehabilitation.

7                   Rehabilitation is defined in those  
8 standards as introducing a new use into historic  
9 buildings and doing so in a way that retains their  
10 character. Across this state and many others, every  
11 state in the Union there are thousands of projects in  
12 multiple billions of dollars that have accomplished  
13 the retention of historic character by putting new  
14 uses in and making the compromises.

15                   CONGRESSMAN PALLONE: We have to move  
16 on.

17                   MR. HOLLENBERG: I didn't hear your  
18 question. Of course there will be air conditioning  
19 and there is in most certified rehabilitation  
20 projects that have gone through tax credit review.

21                   CONGRESSMAN PALLONE: I have to move on,  
22 gentleman. Next I have Jim Bemiss and I'm going to  
23 ask you to try to make it a minute or so we don't  
24 have a specific time limit but I can't keep these  
25 guys really beyond -- he's got a flight. We have to



1 keep going.

2 MR. BEMISS: I just have a couple of  
3 quick questions. I think we said that Marie Rust was  
4 the person who signed and went on vacation?

5 CONGRESSMAN PALLONE: I don't know that  
6 that is accurate. She went to Europe according to  
7 the papers, I don't think it was for vacation. I  
8 think she was on business.

9 MR. BEMISS: How many of the four  
10 meetings has she attended?

11 CONGRESSMAN PALLONE: How many what?

12 MR. BEMISS: Of the four meetings that  
13 have happened.

14 CONGRESSMAN PALLONE: She is the  
15 regional director. You can't expect her to come to  
16 the meetings to be honest.

17 MR. BEMISS: I think with the gravity of  
18 the situation, we still have not seen the financial  
19 assurances. You say we're not going to see those  
20 until after the first of year from the developer  
21 claims that he has?

22 MR. WELLS: Mr. Wassel said that they  
23 would be available as soon as they are completed and  
24 they have to be completed before the end of the year.

25 MR. BEMISS: Okay. The contract was

1 signed, the lease contract was signed without any  
2 kind of performance bond or surety or anything? It's  
3 just on his signature? I mean if you lease a  
4 commercial property, you lease a residential  
5 property, you're expected to show some good financial  
6 faith. We have not seen a penny other than the ink.  
7 Is that correct?

8 MR. WELLS: We've seen information that  
9 gives us confidence that he can (inaudible).

10 MR. BEMISS: But no money. We have seen  
11 no money.

12 MR. WELLS: We have seen an ongoing  
13 investment in the preservation of building 26. It's  
14 real money.

15 CONGRESSMAN PALLONE: Please. It's just  
16 the speaker.

17 MR. BEMISS: Just my last statement. I  
18 find it real interesting to see Judy Coleman Stanley  
19 and Frank on the same concerns. I think, I don't  
20 know how you guys sleep at night because that is a  
21 tough team to come up against. Thanks.

22 CONGRESSMAN PALLONE: Thank you. Next  
23 is Shirley, I can't even -- Lyetteta. Thank you  
24 Shirley.

25 MS. LYETTETA: Shirley Lyetteta. I live

1 in Holmdel. Before I ask a question, I have a  
2 comment to make. I believe this meeting was called  
3 for by the Save Sandy Hook Group?

4 CONGRESSMAN PALLONE: This meeting? No  
5 this is just my forum. Just me.

6 MS. LYETTETA: I would make a suggestion  
7 to you. I live in Holmdel. I don't subscribe to the  
8 Asbury Park Press. The Independent comes weekly. It  
9 has been wonderful covering Sandy Hook what's been  
10 going on all these months actually. Nothing in the  
11 paper this week. Luckily --

12 CONGRESSMAN PALLONE: We sent -- let me  
13 say this: I sent a press release to all the weeklys  
14 including the Independent. I have no other way of  
15 notifying people.

16 MS. LYETTETA: My point is the short  
17 notice. I received a phone call two days ago. I  
18 didn't know where to begin calling; and when I hear  
19 Save Sandy Hook, I feel I am a member of, if there is  
20 such a group, as save Fort Hancock and I think I  
21 believe strongly that is the silent majority.

22 Those people don't really come out.  
23 They're just assuming with hearings that they have  
24 been to with the wonderful presentation by Jim Wassel  
25 with his slides, we just assume that it's happening

1 and then all of a sudden we start seeing all these  
2 negative, negative, negative articles by the Save  
3 Sandy Hook.

4 Well, I don't look at it like that at  
5 all. Sandy Hook is there. Fort Hancock is its own  
6 entity. I don't even think people are realizing the  
7 history.

8 The history goes back, believe it or  
9 not, and I have a video to prove it, 1600s. That's  
10 how far back this Sandy Hook was used, this Fort  
11 Hancock, and it did have a purpose. It had a purpose  
12 back then. It had a purpose in the Revolutionary  
13 War. Had a purpose in 1812, in the World Wars; and I  
14 say yes, rehabilitate, preserve, whatever you have to  
15 do to this place, but it has a meaning and if you  
16 keep those buildings the way they look, it has a  
17 meaning. If the guns are there, and I have heard the  
18 word "recreation" used. Nobody ever said this land  
19 was recreation.

20 CONGRESSMAN PALLONE: Get to the  
21 questions.

22 MS. LYETTETA: What would happen to  
23 Sandy Hook if you didn't do it? Fort Hancock. If  
24 you don't go through with this, what will happen to  
25 Fort Hancock? That's my question.

1                   CONGRESSMAN PALLONE: To the 36 building  
2     you mean?

3                   MS. LYETTETA: Just what would happen to  
4     Fort Hancock in general, the whole thing? You going  
5     to let the buildings deteriorate. You're not going  
6     to care about anything. So when people come down and  
7     even people in another state say I want to see --

8                   CONGRESSMAN PALLONE: As I said before  
9     and others have said, the 36 buildings that are out  
10    there are part of Fort Hancock or Sandy Hook. Only  
11    those 36 right now, although we have had the  
12    statement about how it could be expanded.

13                  But the 36, as far as the rest of the  
14    Hook is concerned including the rest of Fort Hancock,  
15    we're still out there through the Park Service,  
16    through federal monies trying to get money and  
17    actually getting money on an annual basis to work on  
18    those buildings and restore the buildings. The only  
19    part that is affected by this proposal are those 36  
20    buildings.

21                  MS. LYETTETA: Don't you think that is  
22    an intricate part of Fort Hancock, the buildings?

23                  CONGRESSMAN PALLONE: Of course. Of  
24    course. I'm trying to suggest to you that it's only  
25    part of Fort Hancock that is coming under this

1     proposal. Not the whole thing.

2                   MS. LYETTETA: All right. I guess my  
3     point is I have heard so much negative here tonight,  
4     and I think it's a wonderful idea. In fact,  
5     Brookdale College has the video, The History of Fort  
6     Hancock at Sandy Hook. If you would like to look at  
7     it, Mr. Pallone, I would sacrifice my copy and let  
8     you have it.

9                   CONGRESSMAN PALLONE: Sure. I'd be glad  
10    to look at it and give it back to you.

11                  MS. LYETTETA: Thank you for the time.

12                  CONGRESSMAN PALLONE: Thank you.  
13    Jacqueline Carboy. I not getting good with the  
14    names. It's getting later, I guess. Is she here?  
15    Am I not pronouncing it properly? Looks like  
16    C-a-r-b-o-y. No? Okay. Joe McNamara. Hi, Joe.

17                  MR. MCNAMARA: My name is Joe McNamara.  
18    I'm a resident of Middletown. I have been involved  
19    for about 20 years in the planning development of Bay  
20    Shore area. I did stay around.

21                  I came today for a couple purposes. One  
22    because I had some questions and I wanted to --  
23    which were addressed. God have they be addressed  
24    over and over.

25                  I do want to say from my experience in

1 development, which is more so in RP processes and  
2 others, I think the process you have outlined is sort  
3 of a legitimate process. I know there have been some  
4 questions that have been raised and those will be  
5 address in another court, but the idea of putting  
6 together a public private partnership for this kind  
7 of work from my experience very ideal.

8 I differ in the sense with the  
9 Congressman in the sense what the private partnership  
10 does is allow you to put those controls that most of  
11 the people want here. Privatization, as I looked at  
12 it in the private sector -- public sector sometimes  
13 does it is more saying we need to return and give  
14 complete control to the private sector.

15 This process I think is in the best  
16 interest of the public and the`private sector and  
17 there has been some successful models. My other  
18 questions have been answered. This is a different  
19 perspective. Like I said, I've been involved in  
20 development and some planing in the Bay Shore. We  
21 looked at a development plan for this area in terms  
22 of tourism and in terms of transportation; how it  
23 ties together.

24 I don't expect at this point you have  
25 done any economic analysis or impact statement or

1 tie-in on how you tie into a promotional campaign  
2 with tours and whatever. That is for the developer I  
3 guess. I'm sure you have not done it, but I suggest  
4 that to make this project successful since it is part  
5 of that old fabric, there is ferry service, there is  
6 a lot of different elements that you can put together  
7 to insure that the developer is going to have a  
8 successful project. It can be also successful for  
9 you.

10 So, if you have not, and I assume you  
11 have not done that kind of stuff yet.

12 MR. HOLLENBERG: I think the answer to  
13 that is we looked at that in limited ways but not  
14 having the vehicle to really participate in that, it  
15 was more conversation than having any realty.

16 The one thing that I think that we have  
17 made slow but steady progress on is increasing the  
18 capability of water boat and transportation to Sandy  
19 Hook as part of the dynamic of transportation and  
20 increasing the access not only to here but also to  
21 various Bay Shore communities.

22 It's all connected in that way and  
23 certainly we're not opposed to those linkages and  
24 would support to the extent we could activities that  
25 followed up after the development got underway.



1                   MR. MCNAMARA:    Because that would give  
2   you your environmental and also your economic  
3   objectives.  You can achieve them better that way  
4   with integration.

5                   CONGRESSMAN PALLONE:  Thank you, Joe.  
6   Betsy Bartlet?  She left?  Carry Hall?  This is  
7   rough.  G. D-l-u-g-o-s-z.  Ed Dlugosz.  Thanks.

8                   MR. DLUGOSZ:  Sorry.  Sorry that this  
9   lasted so long.  Let me introduce myself.  I'm Ed  
10  Dlugosz.  I'm resident of Eatontown.  I'm  
11  environmental chairman of that town.  I'm presently  
12  the president of Monmouth County Friends of  
13  Clearwater.  I was the project manager, in other  
14  words, the proposal writer for our presentation to  
15  the National Park System and Ms. Rust and so forth  
16  down in Philadelphia were one of the ten finalists.

17                   A lot of the questions I had were either  
18  raised by Ben Forest; the chief of which was when we  
19  received the RFP and we went through question and  
20  answer periods, we were told that 15, 25 years was  
21  the longest lease that would be available; and then  
22  when the questions and answers, another series of  
23  questions and answers, it said there is no  
24  possibility of an extension to the period of time and  
25  afterwards sort of expo facto we learned of the 60

1 years. It was incredibly damaging and in many ways  
2 unfair that we didn't have that same leeway, I think,  
3 with our proposal, with grants.

4                   We are a nonprofit as you know. With  
5 grants, with the use of the festival and so forth  
6 that we could have had an impact -- positive impact.  
7 As was said by Ben, we spent 15 years rehabilitating  
8 the place and right now, the encroachment of broken  
9 windows, you mentioned it also, Superintendent, that  
10 plants and vines are starting to infiltrate the  
11 structures themselves, but let me get to some of my  
12 questions.

13                   How can, when you say at one point that  
14 we refuse or we will not grant a longer period of  
15 time after the fact, after everybody is out of the  
16 competition, how you can extend it to that length of  
17 time and why was that a negotiable thing when, in  
18 fact, it was non-compliant with your RFP to begin  
19 with?

20                   I have spent 25, almost 30 years in  
21 government service in various ways. I'm a contractor  
22 now. I'm director of my company. We have written  
23 many proposals. I have been on the other side where  
24 I have been a government person reviewing proposals  
25 as part of a selection evaluation board.

1                   How can not only that one but other  
2 requirements not be followed in the follow-on lease?  
3 That is my first question.

4                   MR. WELLS:    I was not party to those  
5 discussions, so I'm not sure if I have the exact  
6 knowledge of what transpired there, but I think the  
7 balancing of the term of the lease relative to the  
8 term or nature of the investment was a consideration  
9 and the nature of the -- scale of the investment  
10 required for the Clearwater proposal relative to the  
11 scale of the investment required for the 36 parcel  
12 proposal was, in part at least, a trigger that  
13 transferred the term, A, beyond or up to the historic  
14 preservation act tax credit requirement and beyond  
15 that.

16                  MR. DLUGOSZ:  Well, there is a couple  
17 things that -- our -- the proportionate amount for  
18 the one of 36 thing, one of 36 houses to that the  
19 burden on our organization which had income, which  
20 had promises.  We had a preservationist the did the  
21 Grand Central Station and a few other places as our  
22 architects and our historical thing.

23                  We had in kind, let me call, investments  
24 already where we wouldn't have had to pay, what do  
25 you call, an organization like an architect.

1                   Our proposal would have, if we didn't  
2   have these in kind things, be a million dollars. So  
3   we're talking at least in terms of proportionate, one  
4   house a million bucks and we're talking about having  
5   level playing field. We failed because we could not  
6   satisfy supposedly the financial aspects of it.

7                   But here we are with a situation where  
8   five years later an entity, I'll call it that, an  
9   entity can negotiate after the fact the rules that  
10  were hard and fast and that we were judged upon.

11                  There is a variety of other areas also  
12  but I don't want to go into that, but I don't think  
13  your answer satisfies me and wouldn't satisfy me as a  
14  member of government in a source selection evaluation  
15  board.

16                  Let me go ask a couple questions that  
17  might be more relevant to some other people. One I  
18  heard Mr. Wassel say there is going to be  
19  infrastructure improvements and I heard gas, electric  
20  and so forth. But what I didn't hear about are  
21  roads. What I didn't hear about are sewage or other  
22  infrastructure facilities; the fire, the police and  
23  other kinds of increases that are going to become  
24  necessary for a facility that is going to house as  
25  many people as the 36 housing population could

1     produce.

2                     What are the plans?  What are  
3     Mr. Wassel's plans more precisely on providing the  
4     additional facilities, the additional infrastructure  
5     capabilities?

6                     MR. WELLS:  As the Congressman had said  
7     before, federal funds, Congress provides the National  
8     Park Service and Sandy Hook with a good bit of money  
9     every year.  We have for this year we had a  
10    \$4.8 million operating budget.

11                    We have, although we have a nearly  
12    \$3 million operating shortfall, you're absolutely  
13    correct about the need for additional fire protection  
14    and law enforcement personnel.  We anticipate that  
15    Congress will provide additional funds to us in the  
16    future.  And we -- one of the benefits of this public  
17    private partnership is that revenue that will be  
18    generated but it will stay here at Sandy Hook.  Can't  
19    go anywhere else and can be used for environmental  
20    enhancement projects, cultural resource projects and  
21    for operational support.

22                    So we will be able to do just the very  
23    things you're talking about.  Specifically in regards  
24    to the water and the sewer system, again, a federal  
25    appropriation available.

1                   We just now completed a complete upgrade  
2   of our water and sewer system. We now have 50, 51,  
3   52 pounds of water pressure which enables us to  
4   provide fire suppression systems in all the buildings  
5   without having individual fire pumps in every  
6   building which is very costly thing. We have reduced  
7   the water intrusion into our sewer system so now  
8   we're treating less than half of the amount of sewage  
9   wastewater that we were treating just a year ago.

10                  So it's a -- the road work, the roads  
11   are available to the general public. The roads are  
12   the responsibility of the Federal Government and  
13   there is a five-year program of road repair. We work  
14   with the Federal Highway Administration. It really  
15   characterizes the nature of the partnership; the  
16   shared responsibilities.

17                  CONGRESSMAN PALLONE: We have to move  
18   on.

19                  MR. DLUGOSZ: Last question has to do  
20   with emergency facilities and emergency planning.  
21   One of the questions had I asked as part of my  
22   questions and answers and in the RFP I should say the  
23   proposal itself was in terms of emergency, natural  
24   emergencies like hurricane, for example.

25                  How would that be managed or what is

1 being done to shore up what's going to be a huge  
2 investment here at the park? How are we going to  
3 handle the first aid squads, if, in fact, with a  
4 larger daily population?

5 MR. WELLS: I'm not exactly sure I  
6 understand your question.

7 CONGRESSMAN PALLONE: He wants to know  
8 whether there will be additional costs or there is  
9 any planing with the larger population?

10 MR. WELLS: We have mutual aid  
11 agreements. We certainly cooperate with the  
12 surrounding communities with Highlands and with Sea  
13 Bright. If they have a big fire, our fire department  
14 is there helping them and vice versa.

15 The same thing is true with Sea Bright,  
16 the Sea Bright first aid department. We have our own  
17 first responders here who are available to support  
18 our neighboring communities.

19 MR. DLUGOSZ: I was talking more in  
20 terms of larger emergencies like an Ivan or whatever  
21 in terms of how that would be handled.

22 CONGRESSMAN PALLONE: Ed, you're  
23 suggesting that because there are more people here,  
24 it's going to be more difficult.

25 MR. DLUGOSZ: Larger risk.

1                   CONGRESSMAN PALLONE: You anticipate  
2 with the larger population.

3                   MR. WELLS: Certainly have an emergency  
4 management plan and have a procedure in place. We  
5 work with the coast guard. We work with our existing  
6 tenants. We have a high school here. So we  
7 certainly work closely with them and are able to have  
8 evacuations.

9                   We're equipped in case of a breach of  
10 the road. We're equipped with vehicles that  
11 can -- that can get through without the road.

12                  CONGRESSMAN PALLONE: We have to move  
13 on.

14                  MR. WELLS: Course we work closely with  
15 the coast guard in all those areas.

16                  CONGRESSMAN PALLONE: Next. Is it  
17 Kristen Gantt? G-a-n-t-t Kristen? G-a-n-t-t. I  
18 hope I'm pronouncing it right. Okay. Constance  
19 Stoben. S-t-o-b-e-r or nothing like that? Constance  
20 Stober. Art Gallagher? Art? As quickly as you can.

21                  MR. GALLAGHER: I'll keep it brief,  
22 Congressman. Name is Art Gallagher. I live in  
23 Highlands and particularly interested in Sandy Hook.  
24 You can see my house in the picture over there in the  
25 right-hand corner. I see it every day.



1 I want to thank you gentleman for taking  
2 time over the weekend and really listening to some  
3 negative comments. I have some positive comments.

4 I love Sandy Hook. As I told someone  
5 earlier outside, these buildings either should be  
6 rehabilitated or knocked down. They're not going to  
7 be knocked down.

8 This is a good proposal. It's a  
9 reasonable proposal. I trust the Park Service  
10 management to do what they say they're going to do.  
11 I have had the privilege of working with the park  
12 management in different aspects over the last eight  
13 to ten years and I think this will work.

14 I hope it doesn't go to court. It looks  
15 like it's going to. I hope it doesn't waste more  
16 money doing it that way. I don't really understand  
17 the ax to grind that the other side has or, quite  
18 frankly, I don't understand why you flip flopped on  
19 it, Congressman Pallone. I'm disappointed about  
20 that. I would like to put the animosity behind us  
21 and get on with it.

22 CONGRESSMAN PALLONE: Thanks, Art.  
23 Thank you. Barbara Gonos? G-o-n-o-s. Barbara  
24 Gonos? No. Jerome Koch? Jerome Koch? John  
25 Pritchard, P-r-i-t-c-h-a-r-d? No comment? We

1 appreciate that. Tom Daily? He did? Okay. It  
2 looks Paul Wernoch. W-e-r-n-o-c-h -- c-h I mean.  
3 Not getting it right?

4 MR. WERNOCH: I attend the park quite a  
5 lot. I come here in the spring and fall.

6 (Tape 3, side 2)

7 NR, WERNOCH: I'm not against  
8 development. I'm not against restoration. To  
9 restore something to its original point or structure  
10 is good but to make it something that it's not, the  
11 use is going to be different. I don't think I'm for  
12 because we might as well make Betsy Ross' house into  
13 a pub and we don't want to do that.

14 I also wanted to talk about the noise.  
15 I want to give an example (inaudible) if you can give  
16 me some time. I'm kind of nervous.

17 CONGRESSMAN PALLONE: You can have time.

18 MR. WERNOCH: Just a little time. My  
19 question would be about the noise. In Princeton  
20 Woods in Princeton there is a 400 acre refuge and in  
21 the past ten years, the (inaudible) migration has  
22 declined drastically and I mean very drastically.  
23 Everybody now goes to Garret Mountain in Paterson.

24 The noise level, the traffic, the people  
25 in general will increase. You can wake up in the

1 middle of the night and not hear much noise. Once  
2 the day begins, there is an increase of noise that  
3 could be a lot. I think some guy Steve spoke about  
4 it.

5 Princeton Woods declined because of the  
6 condos that were put up, the townhouses that were put  
7 up and a four-story office building near the golf  
8 course.

9 Now, the same thing would happen here.  
10 So, other than that, the question would be about the  
11 noise which I know will affect the birds. They're  
12 not coming. They do come here.

13 The other thing is the money that is  
14 going to be made by restoring these buildings and  
15 making the conference centers and a pub or whatever  
16 concession and stuff like that, the percentage of  
17 money that you're going to make off that, what  
18 percentage is going to go back to the national parks?

19 CONGRESSMAN PALLONE: Let's get those  
20 questions in. Have you looked at the noise end? I  
21 mean it's a profit-making entity.

22 MR. WELLS: 100 percent of the revenue  
23 stays at Sandy Hook. Doesn't go to the National Park  
24 system. Doesn't go to the treasury. It stays at  
25 Sandy Hook. 100 percent. 100 percent of the revenue

1 generated to the Federal Government by the lease.

2 CONGRESSMAN PALLONE: Paul, you correct  
3 me if I am wrong. I mean it's a profit-making entity  
4 so they will make a profit.

5 MR. WERNOCH: Of that profit what are  
6 they going to give back. Everybody can take. What  
7 are they going to give back?

8 MR. MC INTOSH: Richard, I think you  
9 can spell out the specifics of the lease, but after  
10 the cost of the reinvestment and the base rent fee,  
11 that is prescribed within the lease, then there are  
12 additional payments back to the United States or back  
13 to the park over time as the -- as I guess you could  
14 say the investment in the rehabilitation in the  
15 properties is amortized out of the system.

16 Richard, do you have any more on the  
17 specifics of that?

18 MR. WELLS: There is a base rent that  
19 starts at 1.65 a square foot for 300,000 square feet  
20 which escalates with the consumer price index every  
21 year. And, in addition to that, there will be a  
22 percentage of the gross revenue, which again is an  
23 escalating percentage over the term of lease,  
24 understanding that during the built out phase, the  
25 first five years, cash flow is needed for operation

1   so the percentage of gross revenue is back loaded for  
2   the Park Service to insure the operational success of  
3   the project; and all of that money, I mean obviously  
4   with inflation, revenue is going to increase, costs  
5   are going to increase, revenue is going to increase  
6   over years. Our increasing percentage of gross  
7   revenue will be substantially greater throughout the  
8   project.

9                   CONGRESSMAN PALLONE: What about the  
10   noise aspect? Can you address that? We have to move  
11   on.

12                  MR. WELLS: I think just to  
13   go -- Princeton, what you didn't mention in the  
14   reference to noise but what you didn't mention is  
15   what I assume is a significant loss of habitat for  
16   the construction of those high rises and other  
17   buildings that you talked about.

18                  One interesting aspect of this project  
19   is that we're increasing -- the grass land habitat is  
20   significantly increased since the military use of  
21   this property, number one, and, number two, this  
22   proposal will increase it by several hundred acres I  
23   guess. Lot (inaudible).

24                  So, in terms of habitat, I think we're  
25   doing a better job than has been done historically

1 here.

2 In terms of noise specific, we're very  
3 conscious about noise. The nature of the traffic  
4 here in terms of people coming and going to work,  
5 from work and residential use, I mean speed limits  
6 and routing is going to be a significant factor in  
7 that. I think we have done a very good job in the  
8 developments that we have had.

9 Certainly the Howard Laboratory is the  
10 most recent large example in which that has got a lot  
11 of equipment associated with the building; and we  
12 have done well in terms of managing the noise  
13 associated with that.

14 CONGRESSMAN PALLONE: We have to move  
15 on, Paul.

16 MR. WERNOCH: Thanks for your time.

17 CONGRESSMAN PALLONE: That's true. I  
18 should point out if anybody wants to do follow-up  
19 after today, they can get back to us. Not like we're  
20 going anywhere. If you feel you have to ask  
21 additional questions, you can certainly bring them to  
22 my attention.

23 John Connor? John Connor? Not here?  
24 Andrea Spinelli? Okay. Robert Waxman. Thank you.

25 MR. WAXMAN: First I would like to say

1 I'm not representing any organization either pro or  
2 con to this. We're simply residents of Monmouth  
3 Beach who have enjoyed the park for many, many years;  
4 and it's always a great joy for us to walk along the  
5 Officers Row in Fort Hancock and I especially in the  
6 non-busy seasons in the fall and spring.

7                   It's a beautiful park and when someone  
8 referred to it as a jewel, it really is. If I can  
9 just go on for a minute because my concern really  
10 lies in the fact that I think the Congressman  
11 referred to it before. I think most of all the  
12 discussions about the finances and the mortgages and  
13 all that, there is an underlying fundamental issue  
14 here that I think has not been expressed in this  
15 extent. There is --

16                   It's not the money. It's an innate fear  
17 that if the any part of this park, and we're talking  
18 about something like ten percent of it, is  
19 privatized, that we're going to lose that. I'd like  
20 to be able to walk with my grandchildren along that  
21 walk without hearing noise from pubs, without -- I  
22 think the underlying issue of the privatization  
23 simply is if the Park Service controls this park, we  
24 feel it's not going to happen.

25                   I had an innate feeling always in my

1 life, I remember from elementary school that the Park  
2 Service was set up I guess by Theodore Roosevelt as a  
3 place where the citizens of this country can go  
4 somewhere that is preserved that is not developed,  
5 that preserves what the country was years and years  
6 ago; and there is an innate feeling that I have that  
7 when I hear the word, it's going to be privatized  
8 that is going to be lost.

9 I understand that there is necessity to  
10 preserve buildings and such, but are we doing  
11 something that is contrary to what we really want to  
12 establish here? Is the fact that maybe the buildings  
13 are deteriorating, but are we going to turn Fort  
14 Hancock, this area -- I'll put it a different way.

15 People just visited us recently from  
16 Brazil.

17 CONGRESSMAN PALLONE: But you have to  
18 hurry up.

19 MR. WAXMAN: I will hurry. The one  
20 place I took them was here. Because to me, this is  
21 what -- if they want to go back with a memory of New  
22 Jersey, it's not the Monmouth Mall. It's what you  
23 see here.

24 So my real concern is how is the Park  
25 Service going to be controlling this process? Is the



1 Park Service going to have the right of reviewing who  
2 the tenants are that the developer is going to lease  
3 to and have the right to say no, we just don't want  
4 that type of tenant to operate here at the park?

5 CONGRESSMAN PALLONE: Good question. I  
6 think that's it. We got to go. Go ahead.

7 MR. MC INTOSH: The National Park  
8 Service has absolute control over Sandy Hook and Fort  
9 Hancock and all the tenants that occupy buildings  
10 here as well as the buildings that will be occupied  
11 by Sandy Hook subtenants of Sandy Hook partners and  
12 we have been through a very lengthy process with a  
13 series of studies on parking, to signs, to paint  
14 studies, to landscape studies, and now we're  
15 embarking on a cultural landscape plan that will  
16 insure that the character, the character defining  
17 features, the character of Fort Hancock and Sandy  
18 Hook will remain the same.

19 Now we're working on the Advisory  
20 Council on historic preservation and the State  
21 Historic Preservation Office who are going to hold it  
22 the last week of October, going to hold a  
23 consultation meeting to revise and recraft an  
24 agreement that insures that that vision for Fort  
25 Hancock and Sandy Hook is perpetuated out in the

1 future out 60 years, and I know everyone will be  
2 welcome to participate in that meeting last week in  
3 October which will be held here and hosted by the  
4 Park Service and moderated by the Advisory Council on  
5 Historic Preservation.

6 MR. WAXMAN: Can I just make one other  
7 comment on a positive sense? I know the coast guard  
8 has a voluntary auxiliary and such. Like, for  
9 instance, I'm sort of in retirement now. I'm an  
10 engineer by schooling and training. I've run large  
11 projects and I'm willing to donate my time, volunteer  
12 my time to you guys this if there is some mechanism  
13 to doing that.

14 MR. WELLS: That's spectacular and  
15 without volunteers this park wouldn't be anything  
16 like it is today. We have -- the Park Service we  
17 have about 500 volunteers that last year contributed  
18 32,000 hours. Sandy Hook Foundation has volunteer  
19 program. Many of our cooperators, the Audubon  
20 Society, the American Literal Society all have  
21 volunteer programs.

22 We really welcome you with open arms.  
23 I'm not sure we have it out front. We have a lot of  
24 information about how you can volunteer in the park.

25 CONGRESSMAN PALLONE: And if all else

1 fails, you can come volunteer for me. Thank you  
2 Robert.

3                   Let me just say I want to thank  
4 everybody for coming today. My whole purpose in  
5 having this meeting was to try to get some questions  
6 answered and, you know, regardless of everything  
7 else, I think we were very successful in getting a  
8 lot of the questions that we had answered; and I  
9 really appreciate the gentleman up here with me for,  
10 you know, bearing with us this whole time and  
11 answering a lot of those questions which were often  
12 tough.

13                   And, again, for those of you who have  
14 additional questions or want to look into this more,  
15 you can always call our office. We have, I guess the  
16 closest office is on -- actually two. Airport Plaza  
17 and we have an office in Hazlet on Route 36 and also  
18 in Long Branch at 504 Broadway. If you didn't feel  
19 you had enough time today, you can always call us.  
20 We'll have an ongoing dialogue with the Park Service.

21                   Thank you. Thank you, Bob and thank  
22 you, David and thank you Rich and thank you all for  
23 being here. I appreciate it. Thank you.

24                   (Whereupon the meeting ended.)

25

## 1 CERTIFICATE

2  
3 I, SANDRA E. BERKELAND, a Notary Public  
4 and Certified Shorthand Reporter of the State of New  
5 Jersey, do hereby certify that the foregoing is a  
6 true and accurate transcript of the testimony as  
7 taken stenographically by me from the cassette tape.

8 I DO FURTHER CERTIFY that I am neither a  
9 relative nor employee nor attorney nor counsel of any  
10 of the parties to this action, and that I am neither  
11 a relative nor employee of such attorney or counsel,  
12 and that I am not financially interested in the  
13 action.

14  
15 Notary Public of the State of New Jersey  
16 My commission expires August 21, 2007  
17 License #XI01666

18 Date: October 8, 2004  
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